As filed with the Securities and Exchange Commission on March 16, 2021

Registration No. 333-

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

Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MediaAlpha, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	7370	85-1854133
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

700 South Flower Street, Suite 640
Los Angeles, California 90017
(213) 316-6256
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Tigran Sinanyan
Chief Financial Officer and Treasurer
MediaAlpha, Inc.
700 South Flower Street, Suite 640
Los Angeles, California 90017
(213) 316-6256
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee
Secondary Offering: Class A common stock, $0.01 par value per share	8,050,000 shares	$59.73	$480,826,500	$52,458.17

(1) Includes shares of Class A common stock granted pursuant to the underwriters' option to purchase additional shares.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended. The proposed maximum offering price per share and proposed maximum aggregate offering price are based on the average of the high and low sales prices of the registrant's Class A common stock as reported on the New York Stock Exchange on March 10, 2021.

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

Subject to completion, dated March 16, 2021.

Preliminary prospectus

Secondary offering of 7,000,000 shares of Class A common stock

MediaAlpha

MediaAlpha, Inc.

The selling stockholders identified in this prospectus are selling shares of our Class A common stock. MediaAlpha, Inc. will not be selling any shares of our Class A common stock under this prospectus and will not receive any proceeds from the sale of the shares by the selling stockholders, including any shares the selling stockholders may sell pursuant to the underwriters' option to purchase additional shares of Class A common stock.

We have two classes of common stock. Both the Class A common stock offered hereby and the Class B common stock have one vote per share. We are a holding company and our sole material asset is all of the shares of our wholly owned subsidiary, Guilford Holdings, Inc. ("Intermediate Holdco"), which in turn owns all of the Class A-1 units of QL Holdings LLC. After giving effect to this offering, the holders of our Class A common stock will collectively own 100% of the economic interests in MediaAlpha, Inc. and have 63.5% of the voting power of MediaAlpha, Inc. (or 64.5% if the underwriters exercise their option to purchase additional shares of Class A common stock in full). The other owners of QL Holdings LLC, Insignia and the Senior Executives (each as defined below), will have the remaining 36.5% of the voting power of MediaAlpha, Inc. through direct or indirect ownership of our Class B common stock (or 35.5% if the underwriters exercise their option to purchase additional shares of Class A common stock in full). White Mountains (as defined below) and the other holders of our Class A common stock ("public stockholders") will indirectly own 29.3% and 33.5%, respectively, of the economic interests in QL Holdings LLC through MediaAlpha, Inc. and Intermediate Holdco (or 28.5% and 35.2%, respectively, if the underwriters exercise their option to purchase additional shares of Class A common stock in full). Insignia will directly own 15.2% of the economic interests in QL Holdings LLC (or 14.8% if the underwriters exercise their option to purchase additional shares of Class A common stock in full), and the Senior Executives will directly or indirectly own 22.0% of the economic interests in QL Holdings LLC (or 21.4% if the underwriters exercise their option to purchase additional shares of Class A common stock in full). See "Prospectus summary—The offering" for additional information.

Prior to the consummation of this offering, certain of the selling stockholders will exchange Class B-1 units of QL Holdings, LLC ("Class B-1 units"), together with corresponding shares of our Class B common stock, for shares of our Class A common stock, as described under "Organizational structure—Fourth amended and restated limited liability company agreement of QL Holdings LLC—Exchange agreement." Certain affiliates of each of White Mountains, Insignia, and our Founders (each as defined herein) are parties to a stockholders agreement and, after giving effect to this offering, will beneficially own approximately 66.5 % of the combined voting power of our Class A common stock and Class B common stock (or 64.7 % if the underwriters exercise in full their option to purchase additional shares of Class A common stock).

Our Class A common stock is listed and traded on the New York Stock Exchange (the "NYSE") under the symbol "MAX." On March 15, 2021 the closing price of our Class A common stock as reported on the NYSE was $64.11 per share.

We are a "controlled company" as defined in the corporate governance rules of the NYSE and, therefore, we qualify for, and rely on, exemptions from certain corporate governance requirements. See "Management—Controlled company."

We are an "emerging growth company," as that term is used in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and, under applicable Securities and Exchange Commission ("SEC") rules, we have elected to take advantage of certain reduced public company reporting requirements for this prospectus and future filings.

	Per share	Total
Offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds to selling stockholders, before expenses	$	$

(1) See "Underwriting" for additional information regarding underwriter compensation.

The selling stockholders have granted the underwriters an option for a period of 30 days to purchase up to an additional 1,050,000 shares of our Class A common stock.

Investing in our Class A common stock involves risks. See "Risk factors" beginning on page 22.

Neither the SEC nor any state securities commission or other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment in New York, New York on or about March , 2021 through the book-entry facilities of The Depository Trust Company.

Joint Bookrunners

J.P. Morgan **Citigroup** **Credit Suisse** **RBC Capital Markets**

Canaccord Genuity **William Blair**

Co-Managers

JMP Securities **Keefe, Bruyette & Woods**
A Stifel Company

The date of this prospectus is March , 2021

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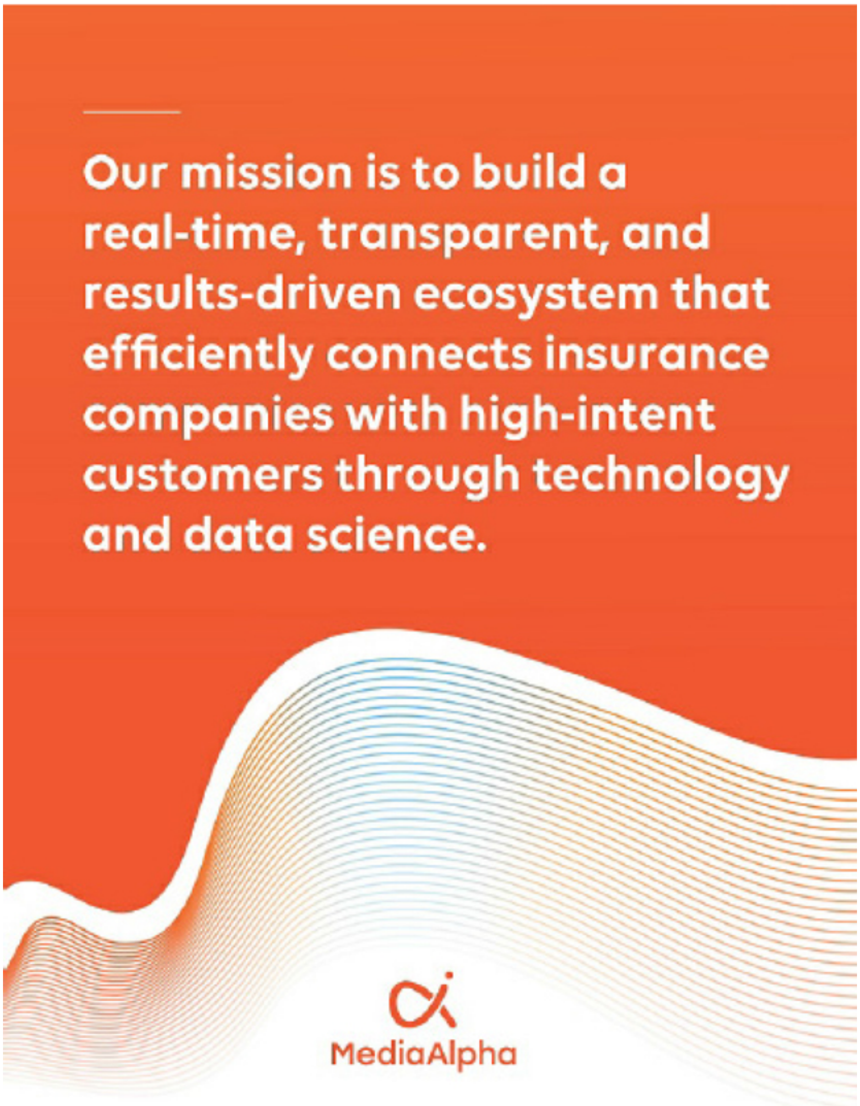

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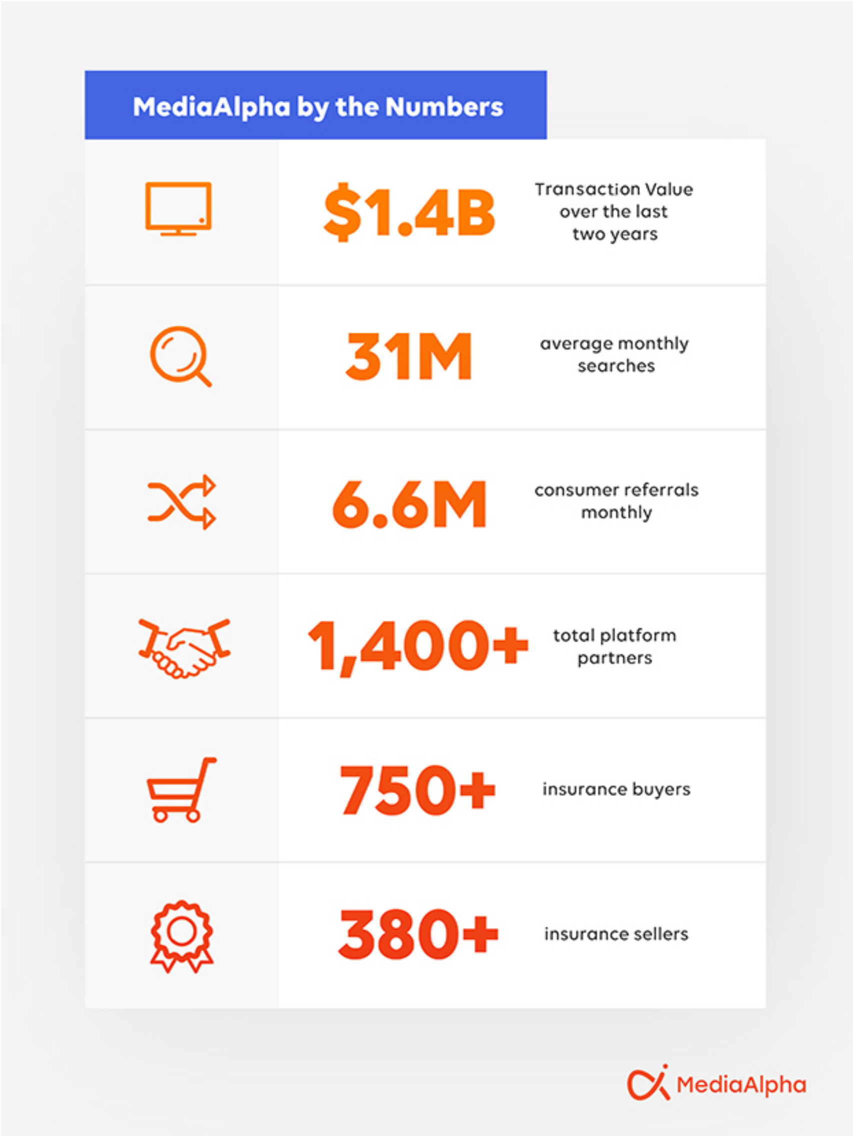

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About this prospectus

As used in this prospectus, unless the context otherwise indicates, any reference to "MediaAlpha," "our Company," the "Company," "we," "us," and "our" refers to MediaAlpha, Inc., the issuer of the shares offered hereby, together with its consolidated subsidiaries. QL Holdings LLC is the predecessor to MediaAlpha.

We have not, and the selling stockholders and the underwriters have not, authorized anyone to provide any information or make any representations other than those contained in this prospectus or in any free writing prospectus that we file with the SEC. We, the selling stockholders and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date regardless of the time of delivery of this prospectus or of any sale of our Class A common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside of the United States: Neither we, the selling stockholders nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our Class A common stock and the distribution of this prospectus outside of the United States.

Financial statements and basis of presentation

This prospectus includes audited consolidated balance sheets of MediaAlpha, Inc. as of December 31, 2020 and December 31, 2019 and the statements of operations and of cash flows of MediaAlpha, Inc as of December 31, 2020, December 31, 2019 and December 31, 2018. We do not include historical financial statements of Intermediate Holdco because, prior to that time, Intermediate Holdco disposed of significant assets and liabilities that will not be included in the Company. At the time Intermediate Holdco was contributed to the Company in the IPO reorganization (as defined below), its only assets were the Class A-1 units of QL Holdings LLC, certain tax attributes, and an indemnity from White Mountains with respect to any pre-IPO liabilities of Intermediate Holdco. MediaAlpha, Inc. is a holding company and its sole material asset is all of the shares of its wholly owned subsidiary, Intermediate Holdco, which in turn owns all of the Class A-1 units of QL Holdings LLC. All of our business has historically been and will continue to be conducted through QL Holdings LLC, together with its subsidiaries. The financial results of Intermediate Holdco and QL Holdings LLC will be consolidated in the financial statements of MediaAlpha, Inc. for periods following the date of the IPO.

Numerical figures included in this prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in this prospectus may not be arithmetic aggregations of the figures to which they relate as shown in this prospectus. Percentages included in this prospectus have also been subject to rounding adjustments.

Certain definitions

As used in this prospectus (excluding our consolidated financial statements beginning on page F-1):

- "CAGR" means compound annual growth rate.

- “Consumer Referral” means any consumer click, call or lead purchased by a buyer on our platform.
- “Consumers” and “customers” refer interchangeably to end consumers. Examples include individuals shopping for insurance policies.
- “Digital consumer traffic” refers to visitors to the mobile, tablet, desktop and other digital platforms of our supply partners, as well as to our proprietary websites.
- “Direct-to-consumer” or “DTC” means the sale of insurance products or services directly to end consumers, without the use of retailers, brokers, agents or other intermediaries.
- “Distributor” means any company or individual that is involved in the distribution of insurance, such as an insurance agent or broker.
- “Exchange agreement” means the exchange agreement, dated as of October 27, 2020 by and among MediaAlpha, Inc., QL Holdings LLC, Guilford Holdings, Inc. and certain Class B-1 unitholders of QL Holdings LLC party thereto.
- “Founders” means, collectively, Steven Yi, Eugene Nonko, and Ambrose Wang.
- “Fourth amended and restated limited liability company agreement of QL Holdings LLC” means the limited liability company agreement dated as of October 27, 2020.
- “GAAP” means U.S. generally accepted accounting principles.
- “High-intent” consumer or customer means an in-market consumer that is actively browsing, researching or comparing the types of products or services that our partners sell.
- “IPO” means our initial public offering of our Class A common stock on October 30, 2020.
- “IPO reorganization” means the series of reorganization transactions completed on October 27, 2020 in connection with our IPO, as described under “Organizational structure—Fourth amended and restated limited liability company agreement of QL Holdings LLC” in our registration statement on Form S-1 (File No. 333-249326), which was declared effective by the SEC on October 27, 2020.
- “Insignia” means Insignia Capital Group, L.P. and its affiliates.
- “InsurTech” means insurance technology.
- “Intermediate Holdco” means Guilford Holdings, Inc., our wholly owned subsidiary and the owner of all Class A-1 units of QL Holdings LLC, after giving effect to the IPO reorganization.
- “Inventory,” when referring to our supply partners, means the volume of Consumer Referral opportunities.
- “Legacy Profits Interest Holders” means certain current or former employees of QL Holdings LLC or its subsidiaries (other than the Senior Executives), who indirectly held Class B units in QL Holdings LLC prior to giving effect to the IPO reorganization, and includes any estate planning vehicles or other holding companies through which such persons hold their shares of our Class A common stock.
- “Lifetime value” or “LTV” is a type of metric that many of our business partners use to measure the estimated total worth to a business of a customer over the expected period of their relationship.
- “NAIC” means the National Association of Insurance Commissioners.

- “Open platform” refers to one of our two business models. In open platform transactions, we have separate agreements with demand partners and suppliers. We earn fees from our demand partners and separately pay a revenue share to suppliers and a fee to Internet search companies to drive consumers to our proprietary websites.
- “Partner” refers to a buyer or seller on our platform, also referred to as “demand partners” and “supply partners,” respectively.
    - “Demand partner” refers to a buyer on our platform. As discussed under “Business—Our target audience,” our demand partners are generally insurance carriers and distributors looking to target high-intent consumers deep in their purchase journey.
    - “Supply partner” or “supplier” refers to a seller to our platform. As discussed under “Business—Our target audience,” our supply partners are primarily insurance carriers looking to maximize the value of non-converting or low LTV consumers, and insurance-focused research destinations looking to monetize high-intent consumers.
- “Private platform” refers to one of our two business models. In private platform transactions, demand partners and suppliers contract with one another directly and leverage our platform to facilitate transparent, real-time transactions utilizing the reporting and analytical tools available to them through our platform. We charge a fee based on the Transaction Value of the Consumer Referrals sold through private platform transactions.
- “Proprietary” means, when used in reference to our properties, the websites and other digital properties that we own and operate. Our proprietary properties are a source of Consumer Referrals on our platform.
- “QL Holdings LLC” is a limited liability company which, together with its subsidiaries, has historically conducted, and will continue to conduct, our business.
- “Registration rights agreement” means the registration rights agreement dated as of October 27, 2020, by and among MediaAlpha, Inc., White Mountains Investments (Luxembourg) S.à r.l., Insignia QL Holdings, LLC, Insignia A QL Holdings, LLC, Steven Yi, Eugene Nonko, Ambrose Wang and certain other parties thereto.
- “Reorganization agreement” means the reorganization agreement dated as of October 27, 2020, by and among MediaAlpha, Inc., QL Holdings LLC, QuoteLab, LLC, Guilford Holdings, Inc., White Mountains Investments (Luxembourg) S.à r.l., White Mountains Insurance Group, Ltd., Insignia QL Holdings, LLC, Insignia A QL Holdings, LLC, Steven Yi, Eugene Nonko, Ambrose Wang and certain other parties thereto.
- “Senior Executives” means the Founders and the following officers at the Company that held Class B units in QL Holdings LLC prior to our IPO: Keith Cramer, Tigran Sinanyan, Lance Martinez, Brian Mikalis, Robert Perine, Jeff Sweetser, Serge Topjian, and Amy Yeh. This term also includes any estate planning vehicles or other holding companies through which such persons hold their units in QL Holdings LLC (which holding companies may or may not include QL Management Holdings LLC).
- “Selling Class B-1 Unit Holders” means Insignia, the Senior Executives, and the Legacy Profits Interests Holders, who sold a portion of their Class B-1 units to Intermediate Holdco in connection with the IPO.
- “Stockholders’ agreement” means the stockholders agreement, dated as of October 27, 2020, as amended, modified or supplemented from time to time, by and among MediaAlpha, Inc., White Mountains Investments (Luxembourg) S.à r.l., Insignia QL Holdings, LLC, Insignia A QL Holdings, LLC, Bridge Holdings (Bermuda) Ltd. and Steven Yi, Eugene Nonko and Ambrose Wang, together with their respective holding entities through which they indirectly hold common stock of MediaAlpha, Inc.

- "Transaction Value" means the total gross dollars transacted by our partners on our platform. See "Management's discussion and analysis of financial condition and results of operations—Key business and operating metrics."
- "Vertical" means a market dedicated to a specific set of products or services sold to end consumers. Examples include property & casualty insurance, life insurance, health insurance, and travel.
- "White Mountains" means White Mountains Insurance Group, Ltd. and its affiliates.
- "Yield" means the return to our sellers on their inventory of Consumer Referrals sold on our platform.

Industry and other data

Certain industry data and market data included in this prospectus were obtained from independent third-party surveys, market research, publicly available information, reports of governmental agencies, and industry publications and surveys. All of management's estimates presented herein are based upon management's review of independent third-party surveys and industry publications prepared by a number of sources and other publicly available information. Third-party surveys and industry publications generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe the industry and market data to be reliable as of the date of this prospectus, this information could prove to be inaccurate. Industry and market data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth or any other matters that were used in preparing the forecasts from the sources relied upon or cited herein, and you are cautioned not to give undue weight to such estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the sections titled "Risk factors" and "Cautionary note regarding forward-looking statements." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Trademarks, service marks and trade names

This prospectus includes certain trademarks and trade names, such as "MediaAlpha," our logo, and other trademarks or trade names of the Company, which are protected under applicable intellectual property laws and are our property. This prospectus also contains trademarks, service marks, and trade names of other companies, which are the property of their respective owners. Solely for convenience, trademarks, service marks, and trade names referred to in this prospectus may appear without the ®, ℠ or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

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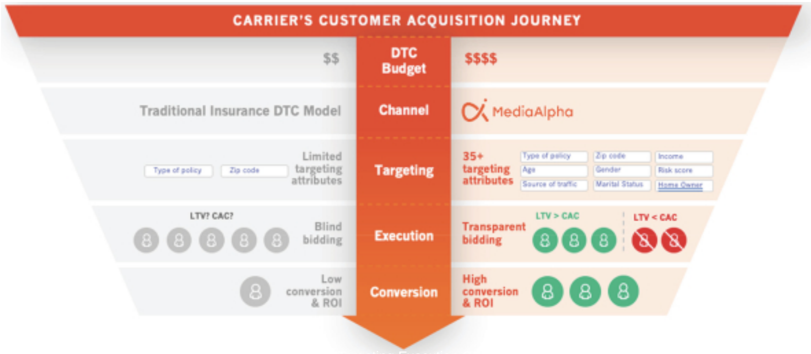
Prospectus summary

This summary highlights information appearing elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the sections titled “Risk factors,” “Unaudited pro forma consolidated financial information,” and “Management’s discussion and analysis of financial condition and results of operations” and the consolidated financial statements and related notes appearing at the end of this prospectus, before making any investment decision. In this prospectus, we make certain forward-looking statements, including expectations relating to our future performance. These expectations reflect our management’s view of our prospects and are subject to the risks described under “Risk factors” and “Cautionary note regarding forward-looking statements.” Our expectations for our future performance may change after the date of this prospectus and there is no guarantee that such expectations will prove to be accurate.

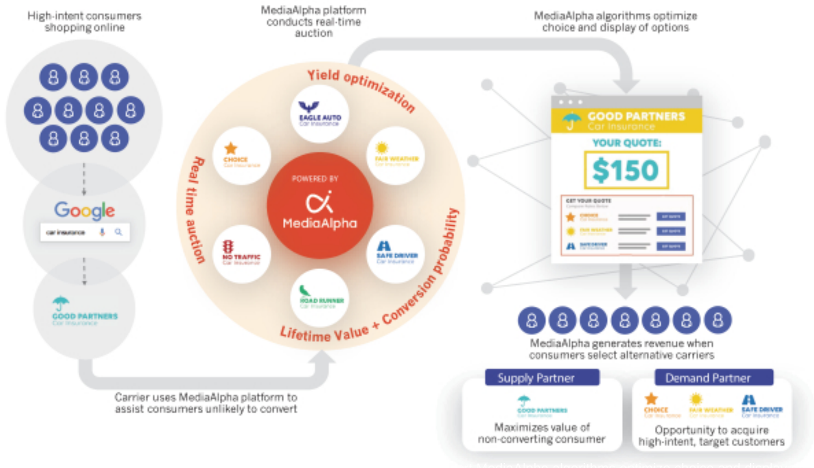
Our company

Our mission is to help insurance carriers and distributors target and acquire customers more efficiently and at greater scale through technology and data science. Our technology platform brings leading insurance carriers and high-intent consumers together through a real-time, transparent, and results-driven ecosystem. We believe we are the largest online customer acquisition channel in our core verticals of property & casualty insurance, health insurance, and life insurance, supporting over $1.4 billion in Transaction Value across our platform over the last two years.

We believe in the disruptive power of transparency. Traditionally, insurance customer acquisition platforms operated in a black box. We recognized that a consumer may be valued differently by one insurer versus another; therefore, insurers should be able to determine pricing granularly based on the value that a particular customer segment is expected to bring to their business. As a result, we developed a technology platform that powers an ecosystem where buyers and sellers can transact with full transparency, control, and confidence.



We have multi-faceted relationships with top-tier insurance carriers and distributors. A buyer or a demand partner within our ecosystem is generally an insurance carrier or distributor seeking to reach high-intent insurance consumers. A seller or a supply partner is typically an insurance carrier looking to maximize the value of non-converting or low LTV consumers, or an insurance-focused research destination looking to monetize the high-intent insurance shoppers on their websites. Our model's versatility allows for the same insurance carrier to be both a demand and supply partner, which deepens the partner's relationship with us. In fact, it is this supply partnership that presents insurance carriers with a highly differentiated monetization opportunity, enabling them to capture revenue from website visitors who either do not qualify for a policy or otherwise may be more valuable as a potential referral to another carrier.

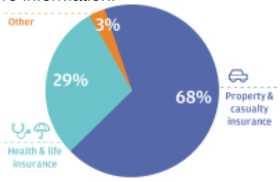


For the year ended December 31, 2020, we had 15 of the top 20 largest auto insurance carriers by customer acquisition spend as demand partners on our platform, accounting for 43% of our revenue. Of these demand partners, 67% were also supply partners in our ecosystem. On a monthly basis, an average of 31.2 million consumers shop for insurance products through the websites of our diversified group of supply partners and our proprietary websites, driving an average of over 6.6 million Consumer Referrals on our platform for the year ended December 31, 2020.

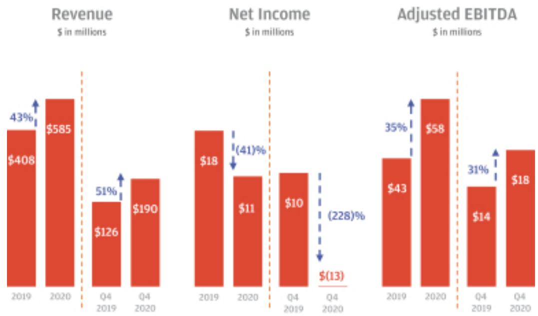
We believe our technology is a key differentiator and a powerful driver of our performance. We maintain deep, custom integrations with partners representing the majority of our Transaction Value to enable automated, data-driven processes that optimize our partners' customer acquisition spend and revenue. Through our platform, our insurance carrier partners can target and price across over 35 separate consumer attributes to manage customized acquisition strategies. We enable our insurance partners to target consumers based on a precise calculation of the expected lifetime value to that partner and to make real-time, automated customer acquisition decisions through a combination of granular price management tools and robust predictive analytics capabilities.

We built our business model to align the interests of all parties participating on our platform. We generate revenue by earning a fee for each Consumer Referral sold on our platform. Our revenue is not contingent on the sale of an insurance product to the consumer.

We have a track record of delivering rapid and profitable growth, enabled by our unique business model and technology platform. For the year ended December 31, 2020, we generated $584.8 million of revenue, representing a 43.3% increase over the $408.0 million of revenue that we generated for the year ended December 31, 2019. This translated to net income of $10.6 million for the year ended December 31, 2020, a decrease of 40.7% over the $17.8 million of net income we generated for the year ended December 31, 2019. We also generated $58.1 million of Adjusted EBITDA for the year ended December 31, 2020, representing a 35.3% increase over the $42.9 million of Adjusted EBITDA generated for the year ended December 31, 2019.[1] See "Management's discussion and analysis of financial condition and results of operations" for more information.



FY 2020 business revenue mix



We designed our business model to be capital efficient, with high operating leverage and cash flow conversion. Since inception and prior to our IPO, we have funded our growth through internally generated cash flow with no outside primary capital. Our strong cash flow generation is driven by (i) the nature of our revenue model, which is fee based and generated at the time a Consumer Referral is sold, and (ii) our proprietary technology platform, which is highly scalable and requires minimal capital expenditure requirements ($0.3 million for the year ended December 31, 2020 and $0.1 million for the year ended December 31, 2019).

The foundation of our success is our company culture. Personal development is critical to our team's engagement and retention, and we continually invest to support our core values of open-mindedness, intellectual curiosity, candor, and humility. This has resulted in a growth-minded team, with exceptionally low turnover, committed to building great products and the long-term success of our partners.

(1) "Adjusted EBITDA" is a non-GAAP financial measure that we present in this prospectus to supplement the financial information we present on a GAAP basis. For a reconciliation of Adjusted EBITDA to the most directly comparable financial measure calculated and presented in accordance with GAAP, see "Management's discussion and analysis of financial condition and results of operations—Key business and operating metrics."

We are poised to capitalize on the expected growth in our core insurance verticals and the continued shift in these markets to direct, digital distribution. We aim to drive deeper adoption and integration of our platform within the insurance ecosystem to continue delivering strong results to our partners. While our focus remains on insurance, we plan to continue to grow opportunistically in sectors with similar market dynamics.

Our market opportunity

Insurance is one of the largest industries in the United States, with attractive growth characteristics and market fundamentals. Insurance companies wrote over $2 trillion in premiums in 2019, and the industry grew at a 6% CAGR from 2017 through 2019, according to the NAIC. Demand for insurance products is stable, due to, in many instances, coverage being mandatory by law (for example, auto insurance) or federally subsidized (for example, senior health insurance). The industry as a whole is highly competitive and invests heavily in customer acquisition. Total customer acquisition spend in the insurance industry was approximately $144 billion in 2019, representing year over year growth of approximately 6%, according to S&P Global Market Intelligence.

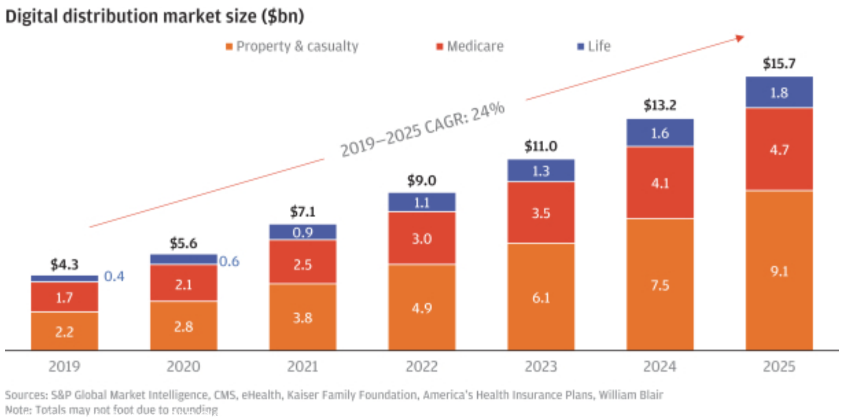
Our technology platform was created to serve and grow with our insurance end markets. As such, we believe secular trends in the insurance industry will continue to provide strong tailwinds for our business.

- ***Direct-to-consumer is the fastest growing insurance distribution channel.*** In the auto insurance industry, there are direct-to-consumer carriers (such as Progressive and GEICO) and more traditional, agent-based carriers (such as Liberty Mutual and Allstate). DTC carriers accounted for approximately 30% of industry premiums in 2018, up from approximately 23% in 2013, according to S&P Global Market Intelligence. This industry shift to more direct distribution is accelerating. According to J.D. Power, GEICO and Progressive captured nearly 84% of premium growth within the auto insurance industry in 2019. This growth is largely driven by their outsized investments, relative to peers, in direct customer acquisition channels. According to S&P Global Market Intelligence, GEICO's customer acquisition spend increased from $0.9 billion in 2017 to $1.7 billion in 2019, representing 82% growth, and Progressive's customer acquisition spend increased from $1.5 billion in 2017 to $1.9 billion in 2019, representing 28% growth. Traditional, agent-based carriers have responded by investing more heavily in direct customer acquisition efforts themselves, as well as launching digital brands (such as Nationwide and Spire), acquiring digital agencies (such as Prudential and AssuranceIQ), or acquiring digital insurers (such as Allstate and Squaretrade). At the same time, a number of personal lines InsurTech companies have entered the space to capitalize on this shift (such as Root, Lemonade, and Hippo).

  Similarly, tech-enabled distribution businesses focused on health and life insurance, such as eHealth, GoHealth, and SelectQuote, have also emerged in recent years, with revenue growth in excess of 40% in 2019. These companies advertise and acquire customers primarily through digital means and rank among the largest distribution platforms for health and life insurance products.

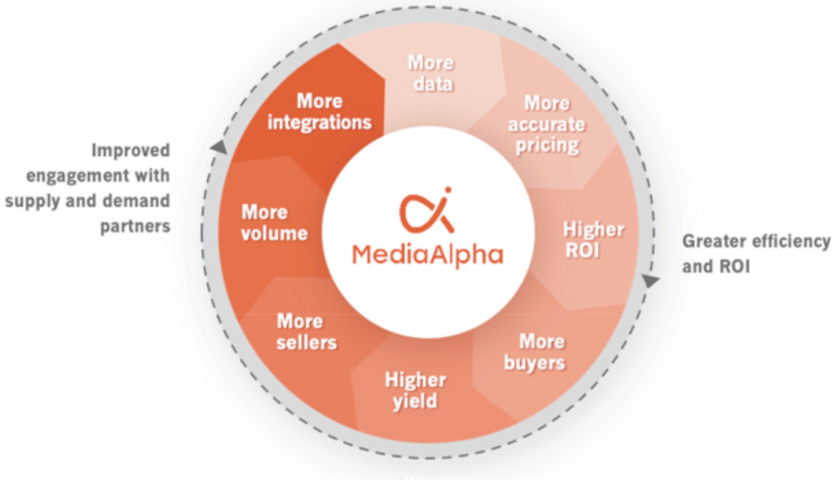
- ***More insurance consumers are shopping online.*** Consumers are increasingly using the internet not just for research and price discovery but to purchase insurance as well. The J.D. Power 2020 U.S. Insurance Shopping Study suggests that 90% of consumers are open to purchasing their auto insurance online. A decade ago, 35% of consumers who had not made an online auto insurance policy purchase in the past said they would consider doing so in the future, according to the Comscore 2010 Online Auto Insurance Shopping Report. This shift is not only prevalent among younger insurance shoppers. According to LexisNexis Insurance Demand Meter, consumers 56 and older are the fastest growing online auto insurance shoppers in the first quarter of 2020. This older demographic is also going online for health information. According to BMC Health Services Research, 63% of people age 65 and older had obtained health information from a website in 2013.

- ***Insurance customer acquisition spending is growing.*** Total insurance customer acquisition spending in 2019 totaled $144 billion, up 6% over the previous year, according to S&P Global Market Intelligence. In fact, two of the top three most-advertised brands in the U.S. across traditional and online channels are insurance companies—Progressive and GEICO. Progressive's customer acquisition spend grew approximately 29% year over year to nearly $1.7 billion in 2019, while GEICO's customer acquisition spend grew almost 12% to nearly $2 billion in the same period. In the face of such aggressive spending and customer acquisition by DTC insurance carriers such as Progressive and GEICO, agent-based carriers are compelled to spend heavily to remain competitive.
- ***Digital customer acquisition spending by insurers has plenty of headroom.*** According to William Blair, insurance carriers lag in customer acquisition spend in terms of percentage of budget allocated to digital. While the advertising industry as a whole now aligns its allocation of digital dollars with consumers' time spent online (56% respectively in 2019), insurers allocate only 20-25% of their budgets to digital channels. Even category-leader Progressive is estimated to allocate only 30% of its budget to digital. William Blair further estimates that digital spend by the insurance industry is expected to grow at a 24% CAGR over the next six years, reaching approximately $16 billion by 2025, representing 31% of overall customer acquisition budgets.



- ***Carriers and distributors are increasingly focused on optimizing customer acquisition budgets.*** Mass-market customer acquisition spend is becoming more costly, leading carriers and distributors to increasingly focus on optimizing customer acquisition spend. They are able to do so by adopting the more sophisticated customer acquisition strategies enabled by data science. A significant percentage of marketers believe the inability to measure customer acquisition impact across channels and campaigns is one of their biggest challenges in demonstrating customer acquisition performance. We believe there is growing demand for improved transparency of Consumer Referral quality, for carriers to secure higher quality Consumer Referrals online, and for the ability to manage consumer acquisition spend across multiple vendors. A survey by CMO in February 2020 reported that marketing analytics spending is expected to increase by 56% in the next three years.

MediaAlpha is poised to capitalize on these trends. We believe we provide one of the leading technology platforms that enables insurance carriers and distributors to efficiently acquire customers online at scale. Our platform allows buyers to target consumers granularly and to determine their pricing based on how they value various consumer segments. Buyers leveraging our predictive analytics and data science capabilities make value-maximizing decisions on how to acquire customers. This results in greater customer acquisition efficiency and better return on investment, allowing us to attract more buyers into the ecosystem. Simultaneously, we provide our supply partners the insights and tools they need to drive competition for their high-intent consumers and maximize yield, which draws more supply partners into the ecosystem, providing our buyers with even more high-quality demand sources. As both demand and supply partners begin to see the benefits of the platform, we deepen our relationships with them through additional integrations that drive more data into the platform. All of this creates the powerful “flywheel” effect that has propelled our business forward as a result of the value created within our ecosystem.



Our target audience

Our buyers: Our demand partners are insurance carriers and distributors looking to target high-intent consumers deep in their purchase journey. Repeat buyers continue to be a strong driver of our growth, with 96.7% of our Transaction Value for 2020 driven by repeat buyers from 2019 (with Transaction Value from such repeat buyers increasing 39.6% in 2020). Annual spend per demand partner on our platform who contribute over $1 million in Transaction Value annually has continued to increase from $6.0 million in 2019 to $9.0 million in 2020.

Our value proposition for buyers

- ***Efficiency at scale.*** We believe we operate the insurance industry’s largest customer acquisition platform, delivering the volume insurance companies need to drive meaningful business results, while also providing precise targeting capabilities to ensure they connect with the right prospects. We believe this gives our demand partners the ability to realize greater efficiencies relative to other customer acquisition channels.

- ***Granular and transparent control.*** Our platform allows for real-time, granular control and full-source transparency with every buying and pricing decision. We believe this gives our buyers the flexibility they need to realize favorable lifetime value relative to customer acquisition costs to maximize their revenue opportunities.
- ***Unparalleled partnership.*** With a fully managed service option, custom integrations, and industry-leading technology, we are dedicated to providing long-term value to our buyers' businesses. We have designed our platform to put the best interests of our partners first, fostering a healthy ecosystem within which buyers can transact with confidence.

Our Sellers: Our supply partners use our platform to monetize their digital consumer traffic. Our supply partners are primarily insurance carriers looking to maximize the value of non-converting or low LTV consumers, and insurance-focused research destinations looking to monetize high-intent customers. Repeat sellers continue to be a strong driver of our growth, with 97.9% of our Transaction Value for 2020 driven by repeat sellers from 2019 (with Transaction Value from such repeat sellers increasing 73.2% in 2020). Annual spend per supply partner who contribute over $1 million in Transaction Value annually on our platform has continued to increase from $7.8 million in 2019 to $11.9 million in 2020.

Our value proposition for sellers

- ***Yield maximization.*** Our proprietary technology platform provides sellers with a suite of optimization tools, as well as inventory and buyer management features that maximize competition for, and yield from, their high-intent consumers.
- ***Predictive analytics.*** Through our platform's advanced predictive analytics features, sellers can assess conversion probabilities and expected customer LTV for every consumer in real time. We believe the integration of these data science models with our sellers' user experience decision engines is a unique differentiator of our business.
- ***Real-time insights.*** We provide our sellers with unique data as to the type of consumer segments each buyer values. By providing in-depth reporting and real-time, granular insights, our sellers have the ability to continuously optimize their own customer acquisition and monetization decisions.

Our End Consumers: Our end consumers are primarily high-intent, online insurance shoppers. Due to the broad participation of top-tier insurance carriers within our ecosystem, consumers are able to more efficiently navigate a range of options and offers relevant to their policy searches. Through December 31, 2020, an average of 31 million consumers shopped for insurance products monthly through the websites of sellers on our platform and our proprietary websites.

Our value proposition for end consumers

- ***Search relevancy.*** By enabling insurance carriers and distributors to apply sophisticated targeting, we facilitate the delivery of hyper-relevant product options to our end consumers based on consumer-provided demographics and other relevant characteristics. We believe this improves the overall research and purchase experience and allows our end consumers to make better real-time decisions.

- ***Shopping efficiency.*** We facilitate access to the most relevant products for each respective end consumer, allowing for minimal research and maximum efficiency, through an omni-channel, seamless consumer platform experience. We enable consumers to comparison shop and interact with insurance carriers and distributors through multiple mediums, including directly online or offline.

Our strengths

We believe that our competitive advantages are based on the following key strengths:

- ***Highly scalable, innovative technology platform with rich data.*** Our proprietary platform is built to be highly extensible and flexible, enabling us to quickly and efficiently develop custom solutions and tools to address the varying and evolving needs of our partners. Supported by our predictive analytics algorithms, our platform is able to provide continuous, real-time feedback and insights that buyers use to maximize the value of every consumer opportunity. Our deep data integrations allow our buyers to utilize millions of anonymized data points to target and acquire their desired customers with a unique level of precision and control. As of December 31, 2020, there were over 380 insurance supply partners on our platform. We also provide our supply partners with sophisticated, data-driven yield management and monetization capabilities. We believe these capabilities are critical to our partners' monetization strategies, as they enable optimization of business performance and revenue. Our platform is vertical agnostic, allowing us to expand into new markets with attractive attributes.

  The increased participation in our technology-driven platform will continue to generate valuable data, enhance feedback loops, and drive stronger results for all participants in the ecosystem. We believe this creates a flywheel effect as our platform grows.

- ***Superior operating leverage.*** We designed our business to be highly scalable, driving sustainable long-term growth that delivers superior value to both demand and supply partners. Our technology enables us to grow in a highly capital efficient manner, with minimal need for working capital or capital expenditure investment. In 2020, we employed 100 individuals on average who drove $815.7 million of Transaction Value ($8.2 million per employee), $10.6 million of net income ($0.1 million per employee), and $58.1 million of Adjusted EBITDA ($0.6 million per employee) for the year, reflecting the high operating leverage of our platform.

- ***Sticky, tenured relationships with insurance carriers and distributors.*** We have developed multi-faceted, deeply-integrated partnerships with insurance carriers and distributors, who are often both buyers and sellers on our platform. We enable insurance carriers and distributors as buyers to optimize customer acquisition spend by offering source-level transparency, granular controls, and predictive tools to drive measurably superior performance. When we work with these same carriers and distributors as sellers, we enable them to use data science to maximize value from consumers by turning high-intent policy shoppers unlikely to convert with that specific carrier or distributor into highly valuable Consumer Referrals for other carriers or distributors.

  We believe the versatility and breadth of our offerings, coupled with our focus on high-quality products, provide significant value to insurance carriers and distributors, resulting in strong retention rates. As a result, many insurance carriers and distributors use our platform as their central hub for broadly managing digital customer acquisition and monetization.

  Our relationships with our partners are deep, long standing, and involve the top-tier insurance carriers in the industry. In terms of buyers, 15 of the top 20 largest auto insurance carriers by customer acquisition spend are on our platform. In 2020, 96.7% of total Transaction Value executed on our platform came from demand partner relationships from 2019. Approximately half of our supply partners have been on our platform since 2016.

- ***Culture of transparency, innovation, and execution.*** Since inception, our co-founders have led with the vision of bringing unparalleled transparency and efficiency to the online customer acquisition ecosystem, executed through a powerful technology-enabled platform. Transparency is built into our platform and is at the heart of our culture, enabling us to focus on sustainable long-term success over near-term wins. We are relentless about continuous innovation and aim to use our platform to solve big industry-wide problems. We are data-driven and focused on delivering measurable results for our partners. We believe that our long-term vision, dedication to solving systemic problems in the industry, and our relentless drive to improve will continue to empower us to be the platform of choice for our partners.

Our growth opportunities

We intend to grow our business through the following key areas:

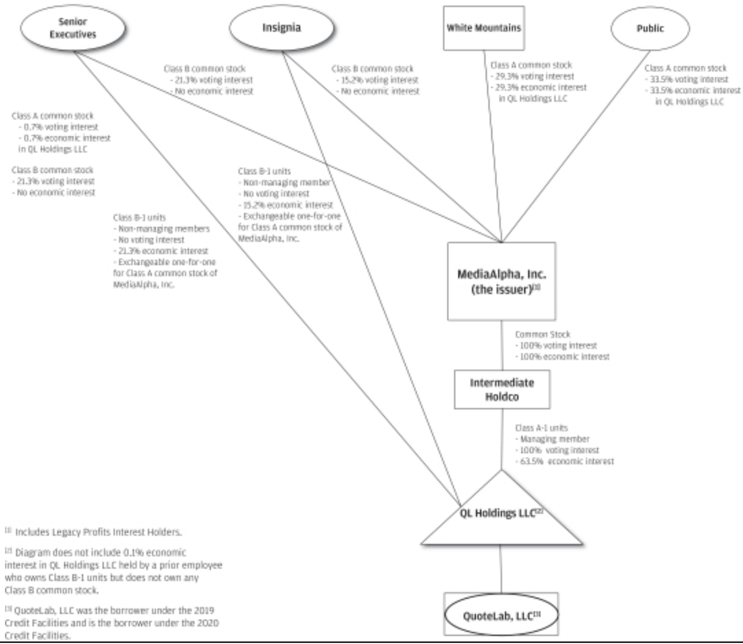
- ***Increase Transaction Value from our partners.*** We aim to increase overall Transaction Value from our partners across our insurance verticals by continuously improving the volume and accuracy of customer conversion data, eliminating friction between consumer handoffs, and developing additional tools and features to increase engagement. We believe that providing our platform participants with better value and a larger selection of high-quality Consumer Referrals over time will lead to increased spending on our platform.
- ***Improve ecosystem efficiency.*** We believe that traditional customer acquisition models are highly inefficient, charging platform users inflated prices while lacking the transparency and granularity to allow participants to reach end consumers effectively. We were founded to disrupt and address these systemic inefficiencies and will continue to do so by enhancing automated buying strategies and granular price discovery processes. We will continue to expand our platform and drive value for all participants within the ecosystem by increasing the data integration with our partners into our platform.
- ***Bring new partners to our platform.*** There are potential buyers and sellers who are not yet using our platform. We intend to gain adoption of our platform with new insurance partners through business development, word-of-mouth referrals, and inbound inquiries.
- ***Grow our product offerings.*** We are constantly exploring new ways to deliver value to our partners through development of new tools and services and improvement of our conversion analytics model. We believe that providing further customized solutions and higher touch services for our partners will enhance the stickiness of our offerings and drive more customer acquisition spend and users to our platform.
- ***Deepen our relationships with agents.*** We intend to strategically expand our insurance agency relationships to capture additional customer acquisition spend within our core insurance verticals. We have a dedicated team working to incorporate agents into our digital platform and help them expand their customer acquisition capabilities. We generated over 79 million Consumer Referrals in the year ended December 31, 2020, equipping us with valuable conversion insights to help us optimize consumer routing to agents based on their desired goals. This dedicated team will continue to enhance our agency capabilities.
- ***Expand into and scale new verticals.*** While we have primarily focused our efforts on growing our core insurance verticals, we continue to seek expansion opportunities in markets that share similar characteristics. For example, we entered the health insurance and life insurance markets in 2014, and were able to scale to $217.7 million in Transaction Value for the year ended December 31, 2020, representing 38.5% year over year growth. We believe our vertical-agnostic platform and established playbook for entering new markets will allow us to capture attractive market opportunities effectively.

Class A common stock and Class B common stock

Our outstanding capital stock consists of Class A common stock and Class B common stock. Investors in this offering will hold shares of Class A common stock. Both the Class A common stock and Class B common stock have one vote per share. See "Description of capital stock."

Our history and the IPO Reorganization Transactions

Historically, our business has been operated through QL Holdings LLC, together with its subsidiaries. MediaAlpha, Inc. was formed for purposes of the IPO and had, prior to the consummation of the IPO, engaged only in activities in contemplation of the IPO. We operate and control all of our businesses and affairs through Intermediate Holdco and QL Holdings LLC (and its subsidiaries), and the financial results of Intermediate Holdco and QL Holdings LLC will be consolidated in our financial statements beginning with the fiscal periods ending December 31, 2020. MediaAlpha, Inc. is a holding company whose sole material asset is all of the shares of its wholly owned subsidiary, Intermediate Holdco, which in turn owns all of the Class A-1 units of QL Holdings LLC. The Class B-1 units are directly or indirectly owned by the Senior Executives and Insignia. For more information regarding the IPO reorganization and holding company structure, see "IPO reorganization transactions" and "Principal and selling stockholders." The diagram below shows our organizational structure immediately after the completion of this offering (assuming no exercise of the over-allotment option by the underwriters).



Senior secured credit facilities

On September 23, 2020, QuoteLab, LLC entered into a new credit agreement (the “2020 Credit Agreement”) with JPMorgan Chase Bank, N.A., as lender and administrative agent, and the other lenders from time to time party thereto, providing for senior secured credit facilities (the “2020 Credit Facilities”) consisting of (i) a $210.0 million term loan facility (the “2020 Term Loan Facility”) and (ii) a $5.0 million revolving credit facility (the “2020 Revolving Credit Facility”).

Proceeds from the 2020 Term Loan Facility were used to refinance our senior secured credit facilities with Monroe Capital Management Advisors, LLC and City National Bank, which consisted of (i) a $100.0 million term loan and (ii) a $5.0 million revolving credit facility (the “2019 Credit Facilities”) and pay related fees and expenses and fund a $105.8 million distribution to equity holders of QL Holdings LLC. QuoteLab, LLC used a further $9.0 million of cash on hand to fund the distribution and the payment of certain deferred finance costs. The 2020 Revolving Credit Facility is available for general corporate purposes and includes a letter of credit sub-facility of up to $2.5 million. The 2020 Credit Facilities also include an uncommitted incremental facility, which, subject to certain conditions, would provide for additional term loan facilities, an increase in commitments under the 2020 Term Loan Facility and/or an increase in commitments under the 2020 Revolving Credit Facility, in an aggregate amount of up to $50.0 million.

As of the date hereof, the aggregate principal amount of the 2020 Term Loan Facility was $186.4 million and our borrowing capacity under the 2020 Revolving Credit Facility was $5.0 million.

Our initial public offering

On October 30, 2020, MediaAlpha, Inc. closed its IPO of 7,027,606 shares of Class A common stock and received $124.2 million in proceeds, net of underwriting discounts and commissions of $9.3 million. MediaAlpha, Inc. contributed (i) $84.3 million of the net proceeds to Intermediate Holdco for Intermediate Holdco to repurchase 4,772,449 Class B-1 units (which Class B-1 units were converted into Class A-1 units of QL Holdings LLC) from the Selling Class B-1 Unitholders and (ii) $23.6 million of the net proceeds to Intermediate Holdco for further contribution to QL Holdings LLC and QuoteLab, LLC, to repay outstanding borrowings under the 2020 Term Loan Facility. The remaining net proceeds of $16.3 million were contributed to Intermediate Holdco for further contribution to QL Holdings LLC and QuoteLab, LLC to pay for costs associated with the IPO and to use for working capital, capital expenditures and general corporate purposes. In connection with the IPO, White Mountains Investments (Luxembourg) S.à r.l., a wholly-owned subsidiary of White Mountains, sold 3,609,894 shares of Class A common stock.

As of immediately after the closing of the IPO, we had 33,169,141 shares of Class A common stock outstanding (of which 20,532,202 were held by White Mountains) and 25,536,043 shares of Class B common stock outstanding (of which 14,334,853 were held by the Senior Executives and 10,635,405 were held by Insiginia).

Summary of risk factors

You should consider carefully the risks described under the “Risk factors” section beginning on page 22 and elsewhere in this prospectus before making a decision to invest in our Class A common stock. These risks could materially and adversely affect our business, financial condition, operating results, cash flow, and prospects, which could cause the trading price of our Class A common stock to decline and could result in a partial or total loss of your investment. These risks include, among others, those related to:

- Our ability to attract and retain insurance carriers to our platform and to make available quality Consumer Referrals at attractive volumes and prices to drive transactions on our platform;

- Our reliance on a limited number of insurance carriers, many of which have no long-term contractual commitments with us, and any potential termination of those relationships;
- Existing and future laws and regulations affecting the property & casualty insurance, health insurance, and life insurance markets;
- Changes and developments in the regulation of the underlying industries in which our partners operate;
- Competition with other technology companies engaged in digital customer acquisition, as well as buyers that attract consumers through their own customer acquisition strategies, third-party online platforms or other traditional methods of distribution;
- Our ability to attract, integrate, and retain qualified employees;
- Reductions in online DTC spend by our buyers;
- Our dependence on our supply partners for the generation of a majority of our Consumer Referrals;
- Our dependence on internet search companies to direct a significant portion of visitors to our sellers' websites and our proprietary websites;
- Disruptions to or failures of our technological infrastructure and platform; and
- Our intellectual property and technology.

Corporate information

We were incorporated in Delaware on July 9, 2020 under the name MediaAlpha, Inc. to serve as a holding company for our business subsidiaries, including QL Holdings LLC and our principal operating subsidiary QuoteLab, LLC, both of which were organized in Delaware on March 7, 2014. Our principal executive offices are located at 700 South Flower Street, Suite 640, Los Angeles, CA 90017, and our telephone number at that address is **(213) 316-6256**. Our website address is www.mediaalpha.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus or in deciding whether to purchase shares of our Class A common stock.

Implications of being an emerging growth company

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies, including:

- Presenting only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced "Management's discussion and analysis of financial condition and results of operations" disclosure in this prospectus;
- Exemption from the requirement of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in our auditor's report on the financial statements;
- Reduced disclosure about our executive compensation arrangements;
- Exemption from the requirements to hold non-binding advisory votes on executive compensation and golden parachute payments; and

- Exemption from the requirement to obtain an attestation report from our auditors on the effectiveness of our internal control over financial reporting.

We may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of the completion of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company earlier if we have more than $1.07 billion in annual revenue, we have more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K) or we issue more than $1 billion of non-convertible debt securities over a three-year period. We may choose to take advantage of some, but not all, of the available exemptions. We have taken advantage of certain reduced reporting obligations in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption and, therefore, while we are an emerging growth company, we will not be subject to new or revised accounting standards (for example, Accounting Standards Codification, Topic 842, *Leases*) at the same time that they become applicable to other public companies that are not emerging growth companies.

Controlled company

We are a "controlled company" under the NYSE rules. Under these rules, a "controlled company" may elect not to comply with certain corporate governance requirements, including the requirement to have a board that is composed of a majority of independent directors. We intend to take advantage of these exemptions for so long as we continue to qualify as a "controlled company." These exemptions do not modify the independence requirements for our audit committee, and we intend to comply with the applicable requirements of the Sarbanes-Oxley Act and rules with respect to our audit committee within the applicable time frame. See "Management—Controlled company."

The offering

This summary highlights information presented in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all the information you should consider before investing in our Class A common stock. You should carefully read this entire prospectus before investing in our Class A common stock, including "Risk factors" and our consolidated financial statements.

Class A common stock offered by the selling stockholders	7,000,000 shares (or 8,050,000 shares if the underwriters exercise in full their option to purchase an additional 1,050,000 shares of Class A common stock from the selling stockholders).
Underwriters' option to purchase additional shares of Class A common stock from the selling stockholders	1,050,000 shares.
Class A common stock to be outstanding after this offering	37,692,626 shares (or 38,272,882 shares if the underwriters exercise in full their option to purchase an additional 1,050,000 shares of Class A common stock from the selling stockholders).
Class B common stock to be outstanding after this offering	21,658,503 shares (or 21,078,247 shares if the underwriters exercise in full their option to purchase an additional 1,050,000 shares of Class A common stock from the selling stockholders). In connection with this offering, certain selling stockholders will exchange 3,877,540 Class B-1 units, together with 3,877,540 shares of our Class B common stock, for 3,877,540 shares of our Class A common stock, as described under "Organizational structure—Fourth amended and restated limited liability company agreement of QL Holdings LLC."
Economic interests	After giving effect to this offering, the holders of our Class A common stock will collectively own 100% of the economic interests in MediaAlpha, Inc. White Mountains and the other holders of our Class A common stock (such other holders, the "public stockholders") will indirectly own 29.3% and 33.5%, respectively, of the economic interests in QL Holdings LLC through MediaAlpha, Inc. and Intermediate Holdco (or 28.5% and 35.2%, respectively, if the underwriters exercise their option to purchase additional shares of Class A common stock in full). Insignia will directly own 15.2% of the economic interests in QL Holdings LLC (or 14.8% if the underwriters exercise their option to purchase additional shares of Class A common stock in full), and the Senior Executives will directly or indirectly own 22.0% of the economic interests in QL Holdings LLC (or 21.4% if the underwriters exercise their option to purchase additional shares of Class A common stock in full).

Voting rights	Each share of our Class A common stock and Class B common stock entitles its holder to one vote on all matters to be voted on by stockholders. Holders of Class A common stock and holders of Class B common stock vote together as a single class on all matters presented to stockholders for their vote or approval, except as otherwise required by law. Holders of our Class A common stock will hold an aggregate of 63.5% of the combined voting power of our issued and outstanding common stock upon the completion of this offering (or 64.5% if the underwriters exercise their option to purchase additional shares of Class A common stock in full). Holders of our Class B common stock will hold an aggregate of 36.5% of the combined voting power of our issued and outstanding common stock upon the completion of this offering (or 35.5% if the underwriters exercise their option to purchase additional shares of Class A common stock in full). After completion of this offering, (a) White Mountains will beneficially own 46.2% of our outstanding Class A common stock (or 44.3% if the underwriters exercise their option to purchase additional shares of Class A common stock in full) and no Class B common stock, which represents 29.3% of our voting power (or 28.5% if the underwriters exercise their option to purchase additional shares of Class A common stock in full), (b) Insignia will beneficially own no Class A common stock and approximately 41.6% of our outstanding Class B common stock, which represents 15.2% of our voting power (or 14.8% if the underwriters exercise their option to purchase additional shares of Class A common stock in full), and (c) the Senior Executives will beneficially own 1.1% of our outstanding Class A common stock and approximately 58.4% of our outstanding Class B common stock, which represents 22.0% of our voting power (or 21.4% if the underwriters exercise their option to purchase additional shares of Class A common stock in full).
Exchange rights	We have an exchange agreement with Insignia and the Senior Executives, which each hold Class B-1 units. Pursuant to and subject to the terms of the exchange agreement and the fourth amended and restated limited liability company agreement of QL Holdings LLC, holders of Class B-1 units, from time to time, may exchange one Class B-1 unit, together with the corresponding share of our Class B common stock, for one share of our Class A common stock (or, at our election, cash of an equivalent value). The amount of Class A common stock issued or conveyed is subject to equitable adjustments for stock splits, stock dividends, reclassifications, and other similar transactions. See "Organizational structure—Fourth amended and restated limited liability company agreement of QL Holdings LLC—Exchange agreement."
Tax receivables agreement	Pursuant to a tax receivables agreement we entered into with Insignia, the Senior Executives, and White Mountains in connection with the IPO, we are required to pay Insignia and the Senior Executives 85% of the cash savings, if any, in U.S. federal, state, and local income tax that we realize (or are deemed to realize) as a result of (i) any increases in tax basis following our purchase

	(through Intermediate Holdco) of Class B-1 units from certain unitholders (including the Selling Class B-1 Unit Holders) in connection with the IPO, as well as any post-IPO exchanges (including in connection with this offering) of Class B-1 units, together with an equal number of shares of our Class B common stock, for shares of our Class A common stock (or, at our election, cash of an equivalent value), (ii) the Pre-IPO Leveraged Distribution (as defined in the section of this prospectus titled "Organizational structure") and other actual or deemed distributions by QL Holdings LLC to its members that result in tax basis adjustments to the assets of QL Holdings LLC, and (iii) certain other tax benefits attributable to payments under the tax receivables agreement itself. The tax receivables agreement also requires us to pay White Mountains 85% of the amount of the cash savings, if any, in U.S. federal, state and local income tax that we realize (or are deemed to realize) as a result of the utilization of the net operating losses of Intermediate Holdco attributable to periods prior to the IPO and the deduction of any imputed interest attributable to our payment obligations under the tax receivables agreement. See "Organizational structure—Tax receivables agreement."
IPO lock-up release; new lock-up agreement	In connection with this offering, J.P. Morgan Securities LLC and Citigroup Global Markets Inc., as representatives of the several underwriters in the IPO, have agreed to release the restrictions under the lock-up agreements that were executed in connection with the IPO with respect to up to 7,000,000 shares (or up to 8,050,000 shares including the underwriters' option to purchase additional shares) of our Class A common stock in this offering that are held by the selling stockholders (including after giving effect to the exchanges described above), provided that the release of shares of our Class A common stock held by the selling stockholders is limited to the shares actually sold in this offering. Additionally, the selling stockholders will enter into new lock-up agreements with J.P. Morgan Securities LLC and Citigroup Global Markets Inc., as representatives of the several underwriters in this offering, pursuant to which the selling stockholders, for a period of 90 days after the date of this prospectus, may not (and may not cause any of their direct or indirect affiliates to), sell their remaining shares following the completion of this offering, subject to certain provisions and exceptions. See "Underwriting."
Use of proceeds	We are not offering any shares of Class A common stock for sale under this prospectus. The selling stockholders will receive all of the net proceeds from the sale of shares of Class A common stock in this offering. We will not receive any proceeds from the sale of shares of Class A common stock by the selling stockholders or if the underwriters exercise their option to purchase additional shares. The selling stockholders will bear the underwriting discount attributable to their sale of our Class A common stock, and we will bear the remaining expenses. See "Use of Proceeds."

Dividend policy	We do not anticipate declaring or paying any cash dividends on our capital stock in the foreseeable future. Instead, we anticipate that all of our future earnings will be retained to support our operations and finance the growth and development of our business. Any future determination to pay dividends on our Class A common stock will be made by our Board of Directors and will depend upon our results of operations, financial condition, capital requirements, regulatory constraints, and contractual restrictions, our business strategy and other factors that our Board of Directors deems relevant. Our Class B common stock is not entitled to any dividend payments. See “Dividend policy.”
Controlled company	White Mountains, Insignia, and the Founders are each a party to a stockholders’ agreement and will collectively own a majority of the voting power of our outstanding common stock following the completion of this offering. Accordingly, we are considered a “controlled company” under the NYSE rules. Under these rules, a “controlled company” may elect not to comply with certain corporate governance requirements, including the requirement to have a board that is composed of a majority of independent directors. We intend to take advantage of these exemptions for so long as we continue to qualify as a “controlled company.” See “Management—Controlled company.”
Risk factors	You should read the “Risk factors” section beginning on page 22 and the other information included in this prospectus for a discussion of factors to consider before deciding to invest in shares of our Class A common stock.
Listing	Our Class A common stock is listed and traded on the NYSE under the symbol “MAX.”

The number of shares of our Class A common stock and Class B common stock to be outstanding after this offering is based on 33,815,086 shares of Class A common stock and 25,536,043 shares of Class B common stock issued and outstanding as of the date hereof, and excludes:

- 21,658,503 shares of Class A common stock that are issuable upon exchanges of Class B-1 units (together with an equal number of shares of our Class B common stock) that will be outstanding immediately after the completion of this offering;
- 5,017,172 shares of Class A common stock issuable upon the vesting of outstanding equity awards; and
- 6,793,630 shares of Class A common stock reserved for issuance under our Omnibus Incentive Plan (see “Executive compensation—2020 Omnibus incentive plan”).

Except as otherwise noted, all information in this prospectus assumes no exercise by the underwriters of their option to purchase additional shares.

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Summary consolidated financial and operating data

Our business operates through QL Holdings LLC, together with its subsidiaries. MediaAlpha, Inc. was formed for the purpose of our IPO and had, prior to the IPO, engaged only in activities in contemplation of our IPO. For periods following the date of the IPO, the financial results of Intermediate Holdco and QL Holdings LLC will be consolidated in our financial statements. MediaAlpha, Inc. will continue to be a holding company whose sole material asset will be all of the shares of its wholly owned subsidiary, Intermediate Holdco, which will in turn own all of the Class A-1 units in QL Holdings LLC. For more information regarding the IPO reorganization and holding company structure, see "Organizational structure."

The following tables present summary historical consolidated financial and operating data for QL Holdings LLC as of the dates and for the periods indicated, as well as certain pro forma and pro forma as adjusted financial data of MediaAlpha, Inc. The summary consolidated statements of operations data presented below for the fiscal year ended December 31, 2020 have been derived from the audited consolidated financial statements appearing at the end of this prospectus.

The unaudited pro forma consolidated statement of operations for the year ended December 31, 2020 presents the consolidated results of operations of MediaAlpha, Inc. after giving pro forma effect to the IPO reorganization and the IPO and as further adjusted for this offering as described under "Organizational structure" as if such transactions had occurred on January 1, 2020. The pro forma adjustments are based on available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of the IPO reorganization and the IPO and as further adjusted for this offering, on the historical financial information of QL Holdings LLC. The unaudited pro forma consolidated financial information is subject to change based on the number of common shares sold in this offering, and other terms of this offering determined at pricing. The unaudited pro forma consolidated financial information is included for informational purposes only and does not purport to reflect the results of operations or financial position of MediaAlpha, Inc. that would have occurred had it operated according to the organizational structure set forth herein as a standalone public company during the periods presented.

The summary historical financial and operating data and pro forma financial data presented below do not purport to be indicative of the results that can be expected for any future period and should be read together with the sections of this prospectus titled "Capitalization," "Unaudited pro forma consolidated financial information," and "Management's discussion and analysis of financial condition and results of operations" and the audited consolidated financial statements and related notes appearing at the end of this prospectus.

Consolidated income statement data (in thousands)	QL Holdings LLC historical for the year ended December 31, 2019	MediaAlpha, Inc. for the year ended December 31, 2020	MediaAlpha, Inc. pro forma for offering reorganization	MediaAlpha, Inc. pro forma for offering reorganization and as adjusted for the IPO and this secondary offering
Revenue	$ 408,005	$ 584,814	$ 584,814	$ 584,814
Costs and operating expenses:				
Cost of revenue	342,909	499,434	499,830	499,830
Sales and marketing	13,822	20,483	22,148	22,148
Product development	7,042	12,449	13,804	13,804
General and administrative	19,319	32,913	51,795	44,822
Total costs and operating expenses	383,164	565,279	587,577	580,604
Income (loss) from operations	24,841	19,535	(2,763)	4,210
Other expense	—	2,302	304	304
Interest expense	7,021	7,938	11,139	9,572
Total other expense	7,021	10,240	11,443	9,876
Income (loss)	17,820	9,295	(14,206)	(5,666)
Income tax (benefit)	—	(1,267)	(1,714)	(837)
Net income (loss)	17,820	10,562	(12,492)	(4,829)
Net income (loss) attributable to QLH prior to Reorganization Transactions		19,166	—	—
Net income (loss) attributable to non-controlling interest		(4,238)	(5,223)	(2,083)
Net income (loss) attributable to stockholders of MediaAlpha, Inc.		$ (4,366)	$ (7,269)	$ (2,746)
Net loss per share Class A common stock—basic and diluted		$ (0.14)		
Weighted average shares of Class A common stock outstanding—basic and diluted		32,134,170		
Pro forma weighted average common shares outstanding —basic				36,651,915
Pro forma weighted average common shares outstanding —diluted				56,031,594
Pro forma loss per share—basic				$ (.07)
Pro forma loss per share—diluted				$ (.09)

Consolidated balance sheet data (in thousands)	As of December 31,	
	2019 QL Holdings LLC historical	2020 MediaAlpha, Inc.
	(predecessor)	(successor)
Assets		
Current assets		
Cash and cash equivalents	$ 10,028	$ 23,554
Accounts receivable, net of allowance for doubtful accounts	56,012	96,295
Prepaid expenses and other current assets	1,448	7,950
Total current assets	$ 67,488	$ 127,799
Property and equipment, net	755	762
Intangible assets, net	18,752	15,551
Goodwill	18,402	18,402
Deferred tax assets	—	31,613
Other non-current assets	—	16,210
Total assets	**$ 105,397**	$ 210,337
Liabilities, Redeemable Class A units and Stockholders'/Members' (Deficit)		
Current liabilities		
Accounts payable	40,455	98,249
Accrued expenses	6,584	9,206
Current portion of long-term debt	873	—
Total current liabilities	$ 47,912	$ 107,455
Long-term debt, net of current portion	96,665	182,668
Liabilities under tax receivable agreement, net of current portion	–	22,498
Other long-term liabilities	319	2,834
Total liabilities	$ 144,896	$ 315,455
Redeemable Class A units	74,097	—
Stockholders'/Members' (deficit) equity:		
Members' Equity	79,547	—
Class A common stock, $0.01 par value - 1.0 billion shares authorized; 33.4 million shares issued and outstanding as of December 31, 2020.	—	334
Class B common stock, $0.01 par value - 100 million shares authorized; 25.5 million shares issued and outstanding as of December 31, 2020	—	255
Preferred stock, $0.01 par value - 50 million shares authorized; 0 shares issued and outstanding as of December 31, 2020	—	—
Additional paid-in capital	—	384,611
Accumulated Deficit	(193,143)	(418,973)
Total stockholders' (deficit) attributable to MediaAlpha Inc., and members' (deficit).	$ (113,596)	$ (33,773)
Non-controlling interests	—	(71,345)
Total stockholders'/members' deficit	$ (113,596)	$ (105,118)
Total liabilities and stockholders'/members' deficit	**$ 105,397**	**$ 210,337**

See accompanying notes to unaudited pro forma consolidated financial information.

Other financial and operational data

	Year ended December 31,	
	2019	2020
(in thousands)	**QL Holdings LLC historical**	**MediaAlpha, Inc.**
	(predecessor)	**(successor)**
Adjusted EBITDA(1)	$ 42,919	58,074
Gross profit	65,096	85,380
Contribution(2)	69,294	92,610
Gross margin	16.0%	14.6%
Contribution Margin(2)	17.0%	15.8%

(1) We define "Adjusted EBITDA" as net income excluding interest expense, income tax benefit (expense), depreciation expense on property and equipment, amortization of intangible assets, equity-based compensation expense and transaction expenses. Adjusted EBITDA is a non-GAAP financial measure that we present in this prospectus to supplement the financial information we present on a GAAP basis. We monitor and have presented in this prospectus Adjusted EBITDA because it is a key measure used by our management to understand and evaluate our operating performance, to establish budgets and to develop operational goals for managing our business. Other companies may calculate Adjusted EBITDA differently than we do. Adjusted EBITDA has its limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results presented in accordance with GAAP.

(2) We define "Contribution" as revenue less revenue share payments and online advertising costs, or, as reported in our consolidated statement of operations, revenue less cost of revenue (i.e., gross profit), as adjusted to exclude the following items from cost of revenue: equity-based compensation; salaries, wages, and related; internet and hosting; amortization; depreciation; other services; and merchant-related fees. We define "Contribution Margin" as Contribution expressed as a percentage of revenue for the same period. Contribution and Contribution Margin are non-GAAP

financial measures that we present in this prospectus to supplement the financial information we present on a GAAP basis. We use Contribution and Contribution Margin to measure the return on our relationships with our supply partners (excluding certain fixed costs), the financial return on and efficacy of our online advertising costs to drive consumers to our proprietary websites, and our operating leverage. We do not use Contribution and Contribution Margin as measures of overall profitability. We present Contribution and Contribution Margin because they are used by our management and board of directors to manage our operating performance, including evaluating our operational performance against budget and assessing our overall operating efficiency and operating leverage. For example, if Contribution Margin increases and our headcount costs remain steady, our Adjusted EBITDA and operating leverage increase. If Contribution Margin decreases, we may choose to re-evaluate and re-negotiate our revenue share agreements with our supply partners, to make optimization and pricing changes with respect to our bids for keywords from primary traffic acquisition sources, or to change our overall cost structure with respect to headcount, fixed costs and other costs. Other companies may calculate Contribution and Contribution Margin differently than we do. Contribution and Contribution Margin have their limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results presented in accordance with GAAP.

The following table reconciles Adjusted EBITDA with net income, the most directly comparable financial measure calculated and presented in accordance with GAAP:

(in thousands)	Year ended December 31, 2019 QL Holdings LLC (predecessor)	Year ended December 31, 2020 MediaAlpha, Inc. (successor)
Net income (loss)	$ 17,820	$ 10,562
Equity-based compensation expense	3,594	25,536
Interest expense	7,021	7,938
Income tax expense (benefit)	—	(1,267)
Depreciation expense on property and equipment	272	289
Amortization of intangible assets	5,381	3,201
Transaction expenses(A)	8,831	11,815
Adjusted EBITDA	$ 42,919	$ 58,074

(A) For the year ended December 31, 2020, transaction expenses include $5.9 million in legal, and other consulting fees, $3.6 million in transaction bonus related to the IPO and IPO reorganization, $2.0 million in loss on extinguishment of debt related to the termination of 2019 Credit Facilities, and $0.3 million related to reversal of tax indemnification receivable created in connection with the IPO reorganization. For the year ended December 31, 2019, transaction expenses included $7.2 million in legal, investment banking and other consulting fees and $1.6 million in transaction bonuses related to a transaction with Insignia in February 2019.

The following table reconciles Contribution and Contribution Margin with gross profit, the most directly comparable financial measure calculated and presented in accordance with GAAP:

(in thousands)	Year ended December 31, 2019 QL Holdings LLC (predecessor)	Year ended December 31, 2020 MediaAlpha, Inc. (successor)
Revenue	$ 408,005	$ 584,814
Less cost of revenue	(342,909)	(499,434)
Gross profit	$ 65,096	$ 85,380
Adjusted to exclude the following (as related to cost of revenue):		
Equity-based compensation	181	2,809
Salaries, wages, and related	1,471	2,188
Internet and hosting	520	438
Amortization	511	—
Depreciation	22	24
Other expenses	263	284
Other services	778	902
Merchant-related fees	452	585
Contribution	$ 69,294	$ 92,610
Gross Margin	16.0%	14.6%
Contribution Margin	17.0%	15.8%

Risk factors

Investing in our Class A common stock involves risks. You should carefully consider the risks and uncertainties described below, together with all of the other information included in this prospectus, including our consolidated financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our Class A common stock. Our business, financial condition, operating results, cash flow, and prospects could be materially and adversely affected by various risks and uncertainties, including those described below. In that case, the trading price of our Class A common stock could decline, and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we currently see as immaterial may also adversely affect our business. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. See "Cautionary note regarding forward-looking statements."

Risks related to our business and industry

Our business is dependent on our relationships with our partners using our platform, many of which have no long-term contractual commitments with us. If demand partners stop purchasing Consumer Referrals on our platform, if supply partners stop making Consumer Referrals available on our platform, or if we are unable to establish and maintain new relationships with demand or supply partners on our platform, our business, financial condition, operating results, cash flows, and prospects could be materially and adversely affected.

A substantial majority of our revenue is derived from sales of Consumer Referrals to demand partners on our platform. Our relationships with such demand partners are dependent on our ability to make available on our platform quality Consumer Referrals at attractive volumes and prices, which in turn depends on our relationship with our supply partners. If demand partners are not able to acquire their preferred Consumer Referrals on our platform, they may stop purchasing on our platform. If demand partners are not able to reach desired consumer segments precisely or do not maximize return on customer acquisition spend, they may stop using our platform.

Supply partners use our platform to optimize consumer conversions while minimizing customer acquisition costs. If supply partners are not able to obtain the best yield on their traffic using our platform, they may stop using our platform to make their Consumer Referrals available.

The majority of our partners can stop using our platform at any time with no notice. Many of our agreements with our partners have no fixed term and are cancellable upon 30 or 60 days' notice. Furthermore, the agreements with our partners do not require that such partners transact a minimum amount on our platform. As a result, we cannot guarantee that our partners will continue to work with us, or, if they do, the amount of Consumer Referrals demand partners will purchase or the amount of Consumer Referrals supply partners will make available on our platform.

If a partner is not satisfied with our platform, it could cause us to lose our relationship with them. In addition to a loss of revenue, this may produce publicity that could hurt our reputation and adversely affect our ability to retain business or secure new business with other partners. The success of our platform depends on both our supply partners making available a robust supply of Consumer Referrals and our demand partners' willingness to pay to purchase such Consumer Referrals. Accordingly, the loss of a supply partner's traffic could affect our ability to provide a sufficient supply of Consumer Referrals for demand partners to acquire. In turn, the loss of a demand partner's purchasing power on our platform could decrease the payouts to supply partners, which could decrease our supply of Consumer Referrals.

We may decide to terminate our relationship with a partner for a number of reasons and at any time. For example, in October 2020, we terminated our relationship with a supply partner that represented approximately 2% of revenue for the year ended December 31, 2020. The termination of our relationship with a partner could reduce the number of demand partners seeking to purchase Consumer Referrals and supply partners seeking to sell their Consumer Referrals to our platform. In connection with such a termination, we would lose a source of Transaction Value and fees for future sales. Our business, financial condition, operating results, cash flows, and prospects could also be harmed if in the future we fail to develop new partner relationships.

We depend on a small group of insurance carriers for a substantial portion of our business. Changes in our relationships with these insurance carriers may adversely affect our business, financial condition, operating results, cash flows, and prospects.

We derive a large portion of our revenue from a limited number of insurance carriers. For example, Progressive, which is both a buyer and seller on our platform, accounted for 23% of revenue for the year ended December 31, 2020. Customer concentration for the years ended December 31, 2020 and 2019 consisted of one customer that accounted for approximately $132.3 million and $78.8 million, or 23% and 19%, of revenue, respectively. Our two largest customers accounted for approximately $23.7 million and $9.8 million, or 24% and 10%, respectively, of the Company’s accounts receivable as of December 31, 2020 compared to one customer for approximately $4.7 million, or 8%, as of December 31, 2019. Many of our agreements with insurance carriers do not require minimum transaction volume commitments on our platform and, accordingly, our demand partners can reduce or eliminate their purchasing on our platform at any time. In addition, many of our agreements with insurance carriers are terminable by the insurance carriers without cause upon 30 or 60 days’ notice. Should we become dependent on fewer insurance partner relationships (whether as a result of the termination of existing relationships, insurance carrier consolidation or otherwise), we may become more vulnerable to adverse changes in our relationships with insurance carriers, which in turn could harm our business, financial condition, operating results, cash flows, and prospects.

Our business is substantially dependent on revenue from property & casualty insurance, health insurance, and life insurance carriers and subject to risks related to such industries in which our partners operate.

A substantial majority of the insurance carriers using our platform are property & casualty insurance carriers, health insurance carriers, and life insurance carriers. Revenue from property & casualty insurance carriers, health insurance carriers, and life insurance carriers accounted for 97.1% and 87.4% of our total revenue for the periods ended December 31, 2020 and 2019, respectively. If insurance carriers experience large or unexpected losses through the offering of insurance, these carriers may choose to decrease the amount of money they spend on customer acquisition, including with us.

In addition, we are dependent upon the economic success of the automobile, home, and healthcare industries. Decreases in consumer demand generally in such underlying industries could adversely affect the demand for property & casualty insurance, health insurance, and life insurance and, in turn, the number of Consumer Referrals available on our platform. In addition, consumer spending on automobile, home, and healthcare products generally declines during recessionary periods and other periods in which disposable income is adversely affected and may be affected by negative trends in the broader economy, including the cost of energy and gasoline, the availability and cost of credit, reductions in business and consumer confidence, stock market volatility and increased unemployment. Downturns in any of these underlying industries, which could be caused by a downturn in the economy at large, could materially and adversely affect our business, financial condition, operating results, cash flows, and prospects.

Our partners may negotiate with us to reduce our platform fees, which could harm our business, financial condition, operating results, cash flows, and prospects.

Many of the terms of our agreements with our partners, including our platform fees, are specifically negotiated with each partner. Our partners may negotiate with us to reduce our platform fees. The outcome of such negotiations could result in terms that are less favorable to us than those contained in our existing agreements or those obtained by our competitors, which could impact our relationship with our partners and could harm our business, financial condition, operating results, cash flows, and prospects.

Demand partners who access our platform can attract consumers directly through their own customer acquisition strategies, including third-party online platforms and other traditional methods of distribution, or obtain similar services from our competitors. Similarly, supply partners can seek to monetize high-intent consumers or maximize the value of non-converting consumers on their websites by building their own solutions or turning to other service providers or our competitors.

The majority of our demand partners do not have exclusive relationships with us, and they may choose to make systemic or incremental changes in the manner in which they market and distribute their products. They can attract consumers directly through their own customer acquisition strategies, including third-party online platforms and other traditional methods of distribution, such as referral arrangements, physical storefront operations or broker agreements. Such demand partners also may obtain Consumer Referrals through one or more online competitors of our business. If such demand partners determine to compete directly with us or choose to favor one or more third-party platforms, they could cease or reduce purchases of Consumer Referrals on our platform. In our insurance verticals, if consumers seek insurance policies directly from insurance carriers, or if insurance carrier partners seek Consumer Referrals through our competitors or cease providing us with access to their systems or information, the number of transactions by demand partners on our platform may decline, which could materially and adversely affect our business, financial condition, operating results, cash flows, and prospects.

Similarly, most of our supply partners do not have exclusive relationships with us, and they can seek other solutions to maximize their consumer traffic monetization, such as building their own solution or turning to other service providers or our competitors in order to monetize high-intent consumers or maximize the value of non-converting consumers on their websites. This could also lead to a reduction in the number of Consumer Referrals made available by supply partners on our platform and materially and adversely affect our business, financial condition, operating results, cash flows, and prospects.

If we fail to compete effectively against technology companies engaged in digital customer acquisition and other competitors, we could lose partners and our revenue may decline.

We operate in the broadly defined tech-enabled insurance distribution sector. Within this sector, our closest competitors are technology companies engaged in digital customer acquisition. This sector is intensely competitive, and we expect this competition to continue to increase in the future both from existing and new competitors that provide competing platforms or technology. We compete both for demand partners and high-quality Consumer Referrals. We compete on the basis of a number of factors, including return on investment, technology, and client service. With respect to high quality Consumer Referrals and for a share of demand partners' customer acquisition budgets, we compete with technology companies engaged in digital customer acquisition for insurance carriers as well as other companies including:

- direct distribution companies focused on insurance products;
- industry-specific portals or customer acquisition companies with insurance-focused research online destinations;
- online marketing or media services providers;

- major internet portals and search engine companies with online advertising platforms; and
- supply partners with their own sales forces that sell their online Consumer Referrals directly to buyers.

Finding, developing, and retaining high quality Consumer Referrals on a cost-effective basis is challenging because competition for web traffic among technology companies engaged in digital customer acquisition, websites, and search engines, as well as competition with traditional media companies, has resulted and may continue to result in significant increases in pricing, declining margins, reduction in revenue, and loss of market share. In addition, if we expand the scope of our services, we may compete with a greater number of technology companies, websites, buyers, and traditional media companies across an increasing range of different services, including in vertical markets where competitors may have advantages in expertise, brand recognition, and other areas. Internet search companies with brand recognition have significant numbers of direct sales personnel and web traffic that provide a significant competitive advantage and have a significant impact on pricing for Consumer Referrals or web traffic. Some of these companies may offer or develop more vertically targeted products that match consumers with products and services or match Consumer Referrals with buyers and, thus, compete with us more directly. The trend toward consolidation in online marketing may also affect pricing and availability of Consumer Referral inventory. Many of our current and potential competitors also have other competitive advantages over us, such as longer operating histories, greater brand recognition, larger client bases, greater access to Consumer Referrals or web traffic more generally, and significantly greater financial, technical, and marketing resources. As a result, we may not be able to compete successfully. Competition from the DTC distribution channel affected and may continue to affect both volume and price, and, thus, revenue, profit margins, and profitability. If we fail to deliver results that are superior to those that other technology companies engaged in digital customer acquisition deliver to partners, we could lose partners and market share, and our revenue may decline.

If we are unable to develop new offerings, achieve increased partner adoption of those offerings or penetrate new vertical markets, our business, financial condition, operating results, cash flows, and prospects could be materially and adversely affected.

Our continued improvement of our product and service offerings is critical to our continued growth. Accordingly, we must continually invest resources in product, technology, and development in order to improve the comprehensiveness and effectiveness of our platform, including by improving upon and expanding the tools we offer to our partners for consumer acquisition cost management and optimization.

In addition, while we have historically concentrated our efforts on the property & casualty insurance, health insurance, and life insurance markets, our growth strategy includes opportunistically penetrating other vertical markets, such as consumer finance, education, and home services. In order to penetrate new vertical markets successfully, it will be necessary to develop an understanding of those new markets and the associated risks, which may require substantial investments of time and resources, and even then we may not be successful and, as a result, our revenue may grow at a slower rate than we anticipate and our business, financial condition, operating results, cash flows, and prospects could be materially and adversely affected.

If we fail to manage future growth effectively, our business, financial condition, operating results, cash flows, and prospects could be materially and adversely affected.

We have at times experienced rapid growth and anticipate further growth. This growth has placed significant demands on management and our operational infrastructure. As we continue to grow, we must effectively integrate, develop, and motivate our employees, while maintaining the beneficial aspects of our company culture. If we do not manage the growth of our business and operations effectively, the quality of our services and efficiency of our operations could suffer and we may not be able to execute on our business plan, which could harm our business, financial condition, operating results, cash flows, and prospects.

Our past growth or the past growth in our verticals or by our competitors may not be indicative of future growth, and our revenue growth rate may decline in the future.

Our past growth or the past growth in our verticals or by our competitors may not be indicative of future growth, if any. We will not be able to grow as expected, or at all, if we do not accomplish the following:

- maintain and expand the number of demand and supply partners that use our platform;
- increase the volume and quality of Consumer Referrals available on our platform and otherwise improve the value of our platform for our partners;
- further improve the quality of our platform; and
- expand our presence to new verticals.

Our revenue growth rates may also be limited if we are unable to achieve high market penetration rates as we experience increased competition. If our revenue or revenue growth rates decline, investors' perceptions of our business may be adversely affected and the market price of our Class A common stock could decline.

If we are unable to attract, integrate, and retain qualified employees, our ability to develop and successfully grow our business could be harmed.

Our business depends on our ability to retain our key executives and management, including Steven Yi, Chief Executive Officer and Co-Founder, Eugene Nonko, Chief Technology Officer and Co-Founder, and Tigran Sinanyan, Chief Financial Officer, and to hire, develop, and retain other key employees. Our ability to expand our business depends on our being able to hire, train, and retain sufficient numbers of experienced information technology employees, as well as other personnel. Our success in recruiting highly skilled and qualified employees can depend on factors outside of our control, including the strength of the general economy and local employment markets and the availability of alternative forms of employment. Experienced information technology personnel, who are critical to the success of our business, are in particularly high demand. This demand is particularly acute in the Seattle, Washington area, where our technology and engineering team is based. Competition for their talents is intense, and retaining such individuals can be difficult. The loss of any of our executive officers or key employees could materially and adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. Most of our executive officers and other key employees are at-will employees, which means they may terminate their employment relationships with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business, financial condition, operating results, cash flows, and prospects could be materially and adversely affected.

A reduction in DTC digital spend by our demand partners or lower conversion results may harm our business, financial condition, operating results, cash flows, and prospects.

We rely on demand partners' DTC digital spend on our network of supply partner websites and on our proprietary websites. We have historically derived, and we expect to continue to derive, the majority of our revenue through the delivery of Consumer Referrals. One component of our platform that we use to generate buyer interest is our system of optimization tools, which is designed to offer pricing control, transparency, granular targeting, and real-time response to assist our partners in making buying and selling decisions that optimize customer acquisition spend. Demand partners will stop spending on our platform if their investments do not generate conversion results. The failure of our platform to effectively deliver customer acquisitions in a manner that results in increased revenue for our demand partners could have an adverse impact on our ability to maintain or increase our revenue from our demand partners' DTC digital spend.

We depend on supply partners on our platform for a majority of our generation of Consumer Referrals. Any decline in the supply of Consumer Referrals available through these supply partners' websites could cause our revenue to decline or our operating costs to increase.

A majority of the Consumer Referrals available on our platform is attributable to consumer traffic originating from supply partners on our platform. In many instances, supply partners can change the Consumer Referrals they make available on our platform at any time in ways that could impact our results of operations. If a supply partner decides not to make its Consumer Referrals available to us, decides to demand a higher revenue-share or places significant restrictions on the sale of such Consumer Referrals, we may not be able to find Consumer Referrals from other supply partners that satisfies our requirements in a timely and cost-effective manner. Consolidation of sellers could eventually lead to a concentration of desirable inventory on websites or networks owned by a small number of individuals or entities, which could limit the supply or impact the pricing of inventory available to us. We cannot assure you that we will be able to acquire Consumer Referrals that meet our partners' performance, price, and quality requirements, in which case our revenue could decline or our operating costs could increase.

We rely on data provided to us by our demand partners, our supply partners, and consumers to improve our technology and service offerings, and if we are unable to maintain or increase the amount of such data available to us, we may be unable to provide our demand partners with a bidding experience that is relevant, efficient, and effective or our supply partners with satisfactory revenue yields, which could adversely affect our business, financial condition, operating results, cash flows, and prospects.

Our business relies on the data provided to us by our demand partners, our supply partners, and consumers. The large amount of information we use in operating our platform is critical to the optimal functioning of our platform. If we are unable to maintain or effectively utilize the data provided to us, including data from our demand partners regarding consumer conversion, the value that we provide to our partners may be limited. In addition, the quality, accuracy, and timeliness of this information may suffer, which may lead to a negative bidding experience for demand partners using our platform, or decreased yields for supply partners using our platform, and could materially and adversely affect our business, financial condition, operating results, cash flows, and prospects.

We have made substantial investments, including time and human resources, into our proprietary technology platform, which relies on consumer-provided data, third-party data, predictive modeling, and analytics engines to maximize value for our platform users. We cannot assure you that we will be able to continually collect and retain sufficient data, or improve our data technologies to satisfy our operating needs. Failure to do so could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

In addition, to the extent consumers or third parties provide our suppliers' websites or our proprietary websites with inaccurate information or fail to provide information, the quality of Consumer Referrals offered to our demand partners through our platform may suffer. A decrease in quality of Consumer Referrals could lead to a reduction in use of our platform by our demand partners.

We depend upon internet search companies to direct a significant portion of visitors to our suppliers' websites and our proprietary websites. Changes in search engine algorithms have in the past harmed or may in the future harm the websites' placements in both paid and organic search result listings, which may reduce the number of visitors to our supply partners' websites and our proprietary websites and as a result, cause our revenue to decline.

Our success depends on the ability to attract online visitors to our suppliers' websites and our proprietary websites and convert them into consumers for our partners in a cost-effective manner. We depend on internet search companies to direct a substantial share of visitors to third party and our proprietary websites. Search companies offer two types of search results: organic and paid listings. Organic listings are displayed based solely on formulas designed by the search companies. Paid listings are displayed based on a combination of the buyer's bid price for particular keywords and the search engines' assessment of the website's relevance and quality. If one or more of the search engines or other online sources on which we or our suppliers rely for purchased listings modifies or terminates its relationship with us or decides to decrease its rating of the relevance and quality of our websites, our expenses could rise, we could lose consumers, and traffic to our suppliers' websites and our proprietary websites could decrease, which could in turn decrease the amount and quality of Consumer Referrals made available for sale on our platform. Any of the foregoing could have a material and adverse effect on our business, financial condition, operating results, cash flows and prospects.

The ability to maintain or grow the number of visitors to our suppliers' websites and our proprietary websites from search companies is not entirely within our control. Search companies frequently revise their algorithms and changes in their algorithms have in the past caused or could in the future cause our suppliers' websites and our proprietary websites to receive less favorable placements. There have been fluctuations in organic rankings for a number of our suppliers' websites and some of the paid listing campaigns have also been harmed by search engine algorithmic changes. Search companies could determine that the content of our suppliers' websites or our proprietary websites is either not relevant or is of poor quality.

In addition, we or our supply partners may fail to optimally manage our paid listings, or our proprietary bid management technologies may fail, which may lead to a decrease in the number of visits to our supply partners' websites or our proprietary websites. As a result, we may need to use more costly sources to replace lost visitors who could have contributed to our supply of Consumer Referrals, and such increased expense could adversely affect our business, financial condition, operating results, cash flows, and prospects. Even if we succeed in driving traffic to our suppliers' websites and our proprietary websites, we may not be able to effectively monetize this traffic or otherwise retain users. Failure to do so could result in a smaller supply of Consumer Referrals available on our platform to our demand partners and thus lower revenue, which would have an adverse effect on our business, financial condition, operating results, cash flows, and prospects.

We face risks and uncertainties related to a novel strain of the coronavirus and the disease it causes (COVID-19), which could significantly disrupt our operations and which could have a material and adverse impact on our business, financial condition, operating results, cash flows, and prospects. These risks and uncertainties could pertain to other viruses, pandemics or other unforeseen and broad-based public health crises.

Our business has been and may continue to be adversely impacted by the effects of COVID-19. In addition to negative macroeconomic effects on business and consumer demand, the COVID-19 outbreak and any other related adverse public health developments may cause declines in revenue and margin, and disruption to our business operations. The businesses of our partners have been negatively affected and may continue to be disrupted by reduced demand, declines in consumer credit, increased default rates, absenteeism, quarantines, and restrictions on employees' ability to work, office closures, and travel or health-related restrictions. For example, in our travel vertical, COVID-19 has led to a dramatic reduction in consumers shopping for travel-related products, and there is uncertainty about the timing and extent to which demand for travel-related products will return to pre-pandemic levels. As a result, we have experienced a dramatic decline in revenue from the travel vertical and expect this trend to continue indefinitely. Certain insurance companies have seen new applications for their various insurance products decrease (e.g., declines in new applications for auto insurance due to lower car sales). Additionally, health insurance and life insurance carriers have faced a significant number of claims related to COVID-19. More generally, insurance companies face risks related to, among others, reduced demand for insurance products and decrease in premium revenue, particularly if their customers are unable to afford insurance, insurance shopping patterns are disrupted, vehicle and home purchases are curtailed, small businesses suspend or discontinue operations, and insurance agencies are unable or unwilling to write business. Depending on the magnitude and duration of any disruption's effect on demand partners' customer acquisition spending and/or the availability of quality Consumer Referrals from our supply partners, our business, financial condition, operating results, cash flows, and prospects could be adversely affected.

In addition, COVID-19 or other disease outbreaks will in the short-run, and may over the longer term, adversely affect the economies and financial markets within many countries, including in the United States, resulting in an economic downturn that could negatively affect customer acquisition spend by our demand partners or on consumer insurance product search activity (and, in turn, Consumer Referral availability). For example, certain companies that operate in the consumer credit industries, such as credit cards and personal loans, have tightened their lending criteria, which in turn may impact a consumer's ability to afford products like insurance, and increased volatility in the financial markets may make it harder for companies to access the capital markets at favorable rates as needed. Such effects of COVID-19, and other similar effects, could result in reduced customer acquisition spend or drops in Consumer Referral availability, which could have a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects. There can be no assurance that any decrease in revenue or margin resulting from COVID-19 will be offset by increased revenue or margin in subsequent periods or that our business, financial condition, operating results, cash flows, and prospects will remain consistent with current or pre-pandemic expectations and/or performances.

Furthermore, we may experience disruptions to our business operations resulting from quarantines, self-isolations, or other restrictions on the ability of our employees to perform their jobs, conduct in-person meetings, and attend tradeshows, which may impact our sales and customer acquisition activities and our ability to design, develop or deliver our products and services in a timely manner or meet partner commitments, which could have a material and adverse impact on our business, financial condition, operating results, cash flows, and prospects.

Moreover, to the extent the COVID-19 pandemic or any worsening of the global business and economic environment as a result thereof adversely affects our business, financial condition, operating results, cash flows, and prospects, it may also have the effect of heightening or exacerbating many of the other risks described in these risk factors, such as those relating to a reduction in DTC digital spend by our demand partners, our dependence on insurance carriers and sellers on our platform, seasonal fluctuations, and our ability to raise additional capital or otherwise refinance on acceptable terms when and as needed.

Given that the magnitude and duration of the impact of the COVID-19 pandemic on our business and operations remains uncertain, the continued spread of COVID-19 or the occurrence of other pandemics and the imposition of related public health measures and travel and business restrictions could have a material and adverse impact on our business, financial condition, operating results, cash flows, and prospects.

Our business could be adversely affected by natural disasters, public health crises, political crises, economic downturns or other unexpected events.

A significant natural disaster, such as an earthquake, fire, hurricane, tornado, flood or significant power outage, could disrupt our operations, platform, the internet or the operations of our third-party technology providers. In particular, our corporate headquarters are located in Los Angeles, a region known for seismic activity. In addition, any unforeseen public health crises, such as epidemics, political crises, terrorist attacks, war, and other political instability, or other catastrophic events, whether in the United States or abroad, could adversely affect our operations or the economy as a whole. The impact of any natural disaster, act of terrorism or other disruption to us or our third-party providers' abilities could result in decreased demand for our offerings or a delay in the provision of our offerings, which could adversely affect our business, financial condition, operating results, cash flows, and prospects. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate.

Our business, financial condition, operating results, cash flows, and prospects are also subject to global economic conditions. If general economic conditions deteriorate in the United States or in other markets where we operate, our demand partners' customer acquisition spending and consumer insurance product search activity (and in turn, Consumer Referral availability) on our platform may decline. An economic downturn resulting in a prolonged recessionary period may have a further adverse effect on our business, financial condition, operating results, cash flows, and prospects.

We may acquire other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders, and otherwise disrupt our operations and harm our operating results, financial condition, and prospects.

We may determine to grow our business through the acquisition of complementary businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions or the acquisitions may cause diversion of management time and focus away from operating our business. Following any acquisition, we may face difficulty integrating technology, finance, and accounting, research and development, human resources, consumer information, and sales and marketing functions; challenges retaining acquired employees; future write-offs of intangibles or other assets; and potential litigation, claims or other known and unknown liabilities.

Depending on the condition of any company or technology we may acquire, that acquisition may, at least in the near term, adversely affect our business, financial condition, operating results, cash flows, and prospects and, if not successfully integrated with our organization, may continue to have such effects over a longer period. We may not realize the anticipated benefits of any acquisitions and we may not be successful in overcoming these risks or any other problems encountered in connection with potential acquisitions. Our inability to overcome these risks could have an adverse effect on our profitability, return on equity, and return on assets, and our ability to implement our business strategy and enhance stockholder value, which in turn could have a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects.

Future acquisitions also could result in dilutive issuances of our equity securities and the incurrence of debt, which could harm our financial condition.

Our quarterly revenue and results of operations may fluctuate significantly from quarter to quarter due to fluctuations in advertising spending, including seasonal and cyclical effects.

In addition to other factors that cause our results of operations to fluctuate, our results are also subject to significant seasonal fluctuation. In our property & casualty insurance vertical, revenue and results in our last fiscal quarter are typically weaker than in our first three fiscal quarters due to lower supply of Consumer Referrals during the holiday period on a cost-effective basis and lower customer acquisition budgets from some demand partners. In our first fiscal quarter, this trend generally reverses with greater supply of Consumer Referrals and often new customer acquisition budgets at the beginning of the year for our partners with fiscal years ending December 31. In our health insurance vertical, revenue and results in our second and third fiscal quarters are typically weaker than in our first and last fiscal quarters during which the open enrollment period for health insurance and annual enrollment for Medicare drives a material increase in consumer search volume for health insurance and Medicare products and a related increase in demand partner customer acquisition budgets.

Other factors affecting our partners' businesses include macroeconomic factors such as credit availability, the strength of the economy, and employment. Any of the foregoing seasonal trends, or the combination of them, may negatively impact our quarterly revenue and results of operations.

Furthermore, advertising spend on the internet, similar to traditional media, tends to be cyclical and discretionary as a result of factors beyond our control, including budgetary constraints and buying patterns of partners, as well as economic conditions affecting the internet and media industry. For example, weather and other events have in the past led to short-term decreases in insurance industry partner advertising spend, increases in loss ratios and damage or interruption in our partners' operations, any of which can lead to decreased partner spend on online performance marketing. In addition, inherent industry specific risks (e.g., insurance industry loss ratios and cutbacks) and poor macroeconomic conditions as well as other short-term events could decrease our partners' advertising spending and thereby have a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects.

If the market for digital customer acquisition services fails to continue to develop, our success may be limited, and our revenue may decrease.

The digital customer acquisition services market is relatively new and rapidly evolving, and it uses different measurements than traditional media to gauge its effectiveness. Some of our current or potential partners have little or no experience using the internet for customer acquisition purposes and have allocated only limited portions of their customer acquisition budgets to the internet. The adoption of digital customer acquisition, particularly by those companies that have historically relied upon traditional media for customer acquisition, requires the acceptance of a new way of conducting business, exchanging information, and evaluating new customer acquisition technologies and services.

In addition, we may experience resistance from traditional advertising agencies that may be advising our partners. We cannot assure you that the market for digital customer acquisition services will continue to grow. If the market for digital customer acquisition services fails to continue to develop or develops more slowly than we anticipate, the success of our business may be limited, and our revenue may stop growing or decrease.

If we fail to protect our brand, our ability to expand the use of our platform by buyers and sellers may be adversely affected.

Maintaining strong brand recognition and a reputation for delivering value to our partners is important to our business. A failure by us to protect our brand and deliver on these expectations could harm our reputation and damage our ability to attract and retain partners, which could adversely affect our business, financial condition, operating results, cash flows, and prospects. Furthermore, a failure to protect our trademarks and domain names could adversely affect our brand and make it more difficult for users to find our platform. In addition, our competitors may have more resources than we do and may spend more advertising their brands and services. Accordingly, we could be forced to incur greater expense marketing our brand in the future to preserve our position in the market and, even with such greater expense, may not be successful in doing so. Furthermore, complaints or negative publicity about our business practices, legal compliance, marketing and advertising campaigns, data privacy and security issues, and other aspects of our business, whether valid or not, could damage our reputation and brand. If we are unable to maintain or enhance client awareness of our brand cost-effectively, our business, financial condition, operating results, cash flows, and prospects could be materially and adversely affected.

Our existing and any future indebtedness could adversely affect our ability to operate our business.

On September 23, 2020, QuoteLab, LLC entered into the 2020 Credit Agreement with JPMorgan Chase Bank, N.A., as lender and administrative agent, and the other lenders from time to time party thereto, providing for the 2020 Credit Facilities consisting of (i) the 2020 Term Loan Facility and (ii) the 2020 Revolving Credit Facility. See "Description of certain indebtedness." Proceeds from the 2020 Term Loan Facility were used to refinance the 2019 Credit Facilities and pay related fees and expenses and fund a distribution to equity holders of QL Holdings LLC.

The 2020 Revolving Credit Facility is available for general corporate purposes. As of March 10, 2021, the aggregate principal amount of the 2020 Term Loan Facility was $186.4 million and our borrowing capacity under the 2020 Revolving Credit Facility was $5.0 million. We could in the future incur additional indebtedness.

Our existing or future indebtedness could have important consequences, including:

- requiring us to dedicate a substantial portion of our cash flow to payments on our indebtedness, which would reduce the amount of cash flow available to fund working capital, capital expenditures or other corporate purposes;
- increasing our vulnerability to general adverse economic, industry, and market conditions;
- subjecting us to restrictive covenants, including restrictions on our ability to pay dividends and requiring the pledge of substantially all of our assets as collateral, that may reduce our ability to take certain corporate actions or obtain further debt or equity financing;
- limiting our ability to plan for and respond to business opportunities or changes in our business or industry; and
- placing us at a competitive disadvantage compared to our competitors that have less debt or better debt servicing options.

In addition, our indebtedness under the 2020 Credit Facilities bears interest at a variable rate, making us vulnerable to increases in the market rate of interest. If the market rate of interest increases substantially, we will have to pay additional interest on this indebtedness, which would reduce cash available for our other business needs.

We may not have sufficient funds, and may be unable to generate sufficient cash flows from operations, to pay the amounts due under our existing debt instruments. Failure to make payments or comply with other covenants under our existing or future debt instruments could result in an event of default. If an event of default occurs and the lender accelerates the amounts due, we may need to seek additional financing, which may not be available on acceptable terms, in a timely manner or at all. In such event, we may not be able to make accelerated payments, and the lender could seek to enforce security interests, if any, in the collateral securing such indebtedness, which includes or could include substantially all of our assets. In addition, the covenants under our existing or future debt instruments, any pledge of our assets as collateral and any negative pledge with respect to our intellectual property could limit our ability to obtain additional debt financing. Any of these events could have a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects.

If we are unable to collect our receivables from our partners, our business, financial condition, operating results, cash flows, and prospects could be adversely affected.

We expect to obtain payment from our partners for work performed and maintain an allowance against receivables for potential losses on partner accounts. Actual losses on partner receivables could differ from those that we have historically experienced or currently anticipate and, as a result, we may need to adjust our allowances. We may not accurately assess the creditworthiness of our partners. Macroeconomic conditions, such as any evolving industry standards, changing regulatory conditions, changing consumer and partner demands, and the effects of COVID-19, could also result in financial difficulties for our partners, including insolvency or bankruptcy. As a result, this could cause partners to delay payments to us, request modifications to their payment arrangements that could extend the timing of cash receipts, or default on their payment obligations to us. If we experience an increase in the time to bill and collect for our services, our business, financial condition, operating results, cash flows, and prospects could be adversely affected.

Developments with respect to LIBOR may affect our borrowings under our credit facilities.

On July 27, 2017, the Financial Conduct Authority announced that it would phase-out LIBOR by the end of 2021. It is unclear whether new methods of calculating LIBOR will be established such that it effectively continues to exist after 2021, or if alternative rates or benchmarks will be adopted. Changes in the method of calculating LIBOR, or the replacement of LIBOR with an alternative rate or benchmark, may adversely affect interest rates and result in higher borrowing costs. We cannot predict the effect of the potential changes to LIBOR or the establishment and use of alternative rates or benchmarks.

The 2020 Credit Agreement provides that interest may be based on LIBOR and contains provisions for the establishment of a replacement rate to LIBOR in the event LIBOR is phased-out; however, uncertainty remains as to any such replacement rate and any such replacement rate may be higher or lower than LIBOR may have been. The establishment of a replacement rate or implementation of any other potential changes may materially and adversely affect our business, financial condition, operating results, cash flows, and prospects.

Operating and growing our business may require additional capital, and if capital is not available to us, our business, financial condition, operating results, cash flows, and prospects may suffer.

Operating and growing our business is expected to require further investments in our technology and operations. We may be presented with opportunities that we want to pursue, and unforeseen challenges may present themselves, any of which could cause us to require additional capital beyond our internally generated cash flows. At any given time, if our cash needs exceed our expectations or we experience rapid growth, we could experience strain in our cash flow, which could adversely affect our operations in the event we were unable to obtain other sources of liquidity. If we seek to raise funds through equity or debt financing, those funds may prove to be unavailable, may only be available on terms that are not acceptable to us or may result in significant dilution to you or higher levels of leverage. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges or unforeseen circumstances could be significantly limited, and our business, financial condition, operating results, cash flows, and prospects could be materially and adversely affected.

Changes in tax laws or exposure to additional income tax liabilities could affect our future profitability.

We are subject to income taxes in the United States, various state and local jurisdictions and foreign jurisdictions. Our effective tax rate and profitability could be subject to volatility or adversely affected by a number of factors, including:

- changes in applicable tax laws and regulations, or their interpretation and application, including the possibility of retroactive effect;
- changes in accounting and tax standards or practice;
- changes in the valuation of deferred tax assets and liabilities; and
- our operating results before taxes.

In addition, we may be subject to audits of our income, sales, and other taxes by U.S. federal, state and local taxing authorities, and foreign authorities. Outcomes from these audits could have a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects.

Our pro forma financial information may not be representative of our future performance.

In preparing the unaudited pro forma consolidated financial information included in this prospectus, we have made adjustments to our historical financial information based upon currently available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of the IPO reorganization and the IPO and as further adjusted for this offering, on the historical financial information of QL Holdings LLC. The estimates and assumptions used in the calculation of the unaudited pro forma consolidated financial information in this prospectus may be materially different from our actual experience. Accordingly, the unaudited pro forma consolidated financial information included in this prospectus does not purport to indicate the results that may be realized in the future, nor does it give effect to any events other than those described in our unaudited pro forma consolidated financial statements and notes thereto.

We may from time to time be subject to litigation, which may be extremely costly to defend, could result in substantial judgment or settlement costs or subject us to other remedies.

We are currently not a party to any material legal proceedings. From time to time, however, we may be involved in various legal proceedings, including, but not limited to, actions relating to breach of contract and intellectual property infringement, misappropriation or other violation. Claims may be expensive to defend, may divert management's time away from our operations, and may affect the availability and premiums of our liability insurance coverage, regardless of whether they are meritorious or ultimately lead to a judgment against us. We cannot assure you that we will be able to successfully defend or resolve any current or future litigation matters, in which case those litigation matters could have a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects.

Sellers, vendors, or their respective affiliates may engage in unauthorized or unlawful acts that could subject us to significant liability or cause us to lose demand partners and revenue.

We generate a majority of our Consumer Referrals from online media that we source directly from our supply partners' websites, as well as indirectly from the affiliates of our supply partners. We also rely on third-party call centers and email marketers. Some of these third parties, vendors, and their respective affiliates are authorized to use our demand partners' brands, subject to contractual restrictions. Any activity by suppliers, vendors, or their respective affiliates which violates the marketing guidelines of our demand partners or that our demand partners view as potentially damaging to their brands, whether or not permitted by our contracts with our demand partners, could harm our relationships and cause demand partners to terminate their relationship with us, resulting in a loss of revenue. Moreover, because we do not have a direct contractual relationship with the affiliates of our suppliers, we may not be able to monitor the compliance activity of such affiliates. If we are unable to cause our suppliers to monitor and enforce our demand partners' contractual restrictions on such affiliates, our demand partners may terminate their relationships with us or decrease their customer acquisition budgets with us. In addition, we may also face liability for any failure of our suppliers, vendors or their respective affiliates to comply with regulatory requirements.

The law is unsettled on the extent of liability that an advertiser has for the activities of sellers or vendors. Insurance regulations may impose liability on our demand partners for misrepresentations made by their marketing service providers. In addition, certain of our contracts impose liability on us, including indemnification obligations, for the acts of our sellers or vendors. We could be subject to costly litigation and, if we are unsuccessful in defending ourselves, we could incur damages for the unauthorized or unlawful acts of sellers or vendors.

Risks related to our intellectual property rights and our technology

If we are unable to adequately obtain, maintain, protect or enforce our intellectual property rights, our ability to compete could be harmed.

Our ability to compete effectively depends upon our ability to obtain, maintain, protect, and enforce our intellectual property rights, proprietary systems, and technology. We rely on a combination of trade secret, trademark and copyright law, confidentiality agreements, and technical measures to establish, maintain and protect our intellectual property rights and technology. These laws are subject to change at any time and could further limit our ability to protect our intellectual property rights. Additionally, there is uncertainty concerning the scope of patent and other intellectual property protection for software and business methods, which are fields in which we rely on intellectual property laws to protect our rights. Despite our efforts to obtain, maintain, protect, and enforce our intellectual property rights, these efforts may not be sufficient to effectively prevent unauthorized disclosure or unauthorized use of our trade secrets or other confidential information or to prevent third parties from infringing, misappropriating, diluting or otherwise violating our intellectual property rights and offering similar or superior functionality. To the extent we are able to obtain enforceable intellectual property rights, such intellectual property rights may not prevent third parties from reverse engineering our proprietary information or independently developing product and service technology offerings and services similar to or duplicative of our product and service offerings. For example, monitoring and protecting our intellectual property rights can be challenging and costly and we may not be effective in policing or prosecuting such unauthorized use or disclosure.

We also may fail to maintain or be unable to obtain adequate protections for certain of our intellectual property rights in the U.S. or certain foreign countries, and our intellectual property rights may not receive the same degree of protection in foreign countries as they would in the U.S. because of the differences in foreign patent, trademark, copyright, and other laws concerning proprietary rights. Any of our intellectual property rights may be challenged or circumvented by others or invalidated or held unenforceable through administrative process or litigation in the U.S. or in foreign jurisdictions. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. In addition, our competitors may attempt to copy unprotected aspects of our product design or independently develop similar technology or design around our intellectual property rights. Third parties also may take actions that diminish the value of our proprietary rights or our reputation or cause partner confusion through the use of similar service names or domain names. Litigation regarding any intellectual property disputes may be costly and disruptive to us. Any of these results would harm our business, financial condition, operating results, cash flows, and prospects.

Additionally, we rely, in part, on trade secrets, proprietary know-how, and other confidential information to maintain our competitive position. We enter into confidentiality and invention assignment agreements with our employees and enter into confidentiality agreements with third parties, including our partners. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information, know-how and trade secrets. Moreover, no assurance can be given that these agreements will be effective in controlling access to, distribution, use, misuse, misappropriation, reverse engineering or disclosure of our proprietary information, know-how and trade secrets. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products and platform capabilities. These agreements may be breached, and we may not have adequate remedies for any such breach. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret or know-how is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, trade secrets and know-how can be difficult to protect and some courts inside and outside the U.S. are less willing or unwilling to protect trade secrets and know-how. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position would be materially and adversely harmed.

We currently hold various domain names relating to our brand, including mediaalpha.com, quotelab.com, and healthplans.com. Failure to maintain our domain names could adversely affect our reputation and brand and make it more difficult for current and future partners to find our website and our platform. We may be unable, without significant cost or at all, to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of our trademarks and other proprietary rights.

We may become subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.

Our success depends, in part, on our ability to develop and commercialize our products and services without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our products or services are infringing, misappropriating or otherwise violating third-party intellectual property rights and such third parties may bring claims alleging such infringement, misappropriation or violation. Third parties may be able to successfully challenge, oppose, invalidate, render unenforceable, dilute, misappropriate or circumvent our trademarks, copyrights, and other intellectual property rights. Additionally, companies in the internet, technology, and media industries own large numbers of patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. As we face increasing competition and become increasingly high profile, the possibility of receiving a larger number of intellectual property claims against us grows. In addition, various "non-practicing entities," and other intellectual property rights holders may in the future attempt to assert intellectual property claims against us or seek to monetize the intellectual property rights they own to extract value through licensing or other settlements.

Any claim of infringement or other proceeding involving our intellectual property rights by a third party, even those without merit, against us or for which we are required to provide indemnification could cause us to incur substantial costs defending against the claim, could distract our management from our business, and could require us to cease use of such intellectual property. Further, because of the substantial amount of discovery required in connection with intellectual property litigation, we risk compromising our confidential information during this type of litigation. We may be required to make substantial payments for legal fees, settlement fees, damages, royalties, or other fees in connection with a claimant securing a judgment against us. If a third party is able to obtain an injunction preventing us from accessing such third party's intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we would be forced to limit or stop sales of our products and platform capabilities or cease business activities related to such intellectual property.

We may be required to spend significant resources in order to monitor and protect our intellectual property rights, and some violations may be difficult or impossible to detect. Actions we may take to enforce our intellectual property rights may be expensive and divert management's attention away from the ordinary operation of our business and could result in the impairment or loss of portions of our intellectual property. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights, and, if such defenses, counterclaims, and countersuits are successful, we could lose valuable intellectual property rights. Our inability to secure and protect our intellectual property rights could impair the functionality of our platform, delay introductions of enhancements to our platform, result in our substituting inferior or more costly technologies into our platform, or harm our reputation and brand, and could materially and adversely affect our brand and business, financial condition, operating results, cash flows, and prospects. Furthermore, such enforcement actions, even if successful, may not result in an adequate remedy. In addition, many companies have the capability to dedicate greater resources to enforce their intellectual property rights and to defend claims that may be brought against them.

Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition, operating results, cash flows, and prospects. Such claims could subject us to significant liability for damages and could result in our having to stop using technology found to be in violation of a third party's rights. Further, we might be required to seek a license for third-party intellectual property, which may not be available on favorable or commercially reasonable terms and may significantly increase our operating expenses. Some licenses may be non-exclusive, and therefore our competitors may have access to the same technology licensed to us. If a third party does not offer us a license to its intellectual property on commercially reasonable terms, or at all, we could be required to develop alternative non-infringing technology, which could require significant time, effort and expense, and may ultimately not be successful. If we cannot license or develop technology for any infringing aspect of our business, we would be forced to limit our services, which could affect our ability to compete effectively. Any of these results would harm our business, financial condition, operating results, cash flows, and prospects.

Our business depends on our ability to maintain and improve the technological infrastructure that supports our platform, and any significant disruption in service on our platform could result in a loss of partners, which could harm our business, financial condition, operating results, cash flows, and prospects.

Our ability to service partners depends on the reliable performance of our technological infrastructure, including the cloud computing platforms we use. Interruptions, delays or failures in these systems, whether due to our cloud computing and other vendors, adverse weather conditions, natural disasters, power loss, computer viruses, cybersecurity attacks, physical break-ins, terrorism, errors in our software or otherwise, could be prolonged and could affect the security or availability of our platform. Our systems or those of third parties may also contain undetected errors or other performance problems or may fail due to human error. The reliability and security of our systems, and those of our partners and vendors, is important not only to maintaining our platform, but also to maintaining our reputation and ensuring the proper protection of our confidential and proprietary information. If we experience operational failures or prolonged disruptions or delays in the availability of our systems, we could lose current and potential partners, which could harm our business, financial condition, operating results, cash flows, and prospects.

Any errors, defects, or disruptions in our platform, or other performance problems with our platform could harm our brand and may damage the businesses of our partners. Our online systems, including our platform, could contain undetected errors, or "bugs," that could adversely affect their performance. Additionally, we update our platform and our other online systems. These updates may contain undetected errors when first introduced or released, which may cause disruptions in our services and may, as a result, cause us to lose current and potential partners, which could harm our business, financial condition, operating results, cash flows, and prospects.

We rely on third-party service providers for many aspects of our business, including the operation of our platform, and any disruption of service experienced by such third-party service provider or our failure to manage and maintain existing relationships or identify other high-quality, third-party service providers could harm our business, financial condition, operating results, cash flows, and prospects.

Information technology systems form a key part of our business and accordingly we are dependent on our relationships with third-party service providers that provide the infrastructure for our platform and technological systems, including our cloud vendors and data center providers. If these third parties experience difficulty providing the services we require or meeting our standards for those services, or experience disruptions or financial distress or cease operations temporarily or permanently, it could make it difficult for us to operate some aspects of our business. In addition, such events could cause us to experience increased costs and delay our ability to provide services to partners until we have found alternative sources of the services provided by these third parties. If we are unsuccessful in identifying or finding high-quality, third-party service providers, if we fail to negotiate cost-effective relationships with them or if we are ineffective in managing and maintaining these relationships, it could materially and adversely affect our business, financial condition, operating results, cash flows, and prospects.

We rely on Amazon Web Services to deliver our platform to our partners, and any disruption of, or interference with, our use of Amazon Web Services could adversely affect our business, financial condition, operating results, cash flows, and prospects.

Amazon Web Services ("AWS") is a third-party provider of cloud infrastructure services. We outsource substantially all of the infrastructure relating to our platform to AWS. AWS provides the cloud computing infrastructure we use to host our website, serve our users and support our operations and many of the internal tools we use to operate our business. Our platform, website, and internal tools use compute, storage, data transfer, and other functions and services provided by AWS. We do not have control over the operations of the facilities of AWS that we use. AWS' facilities may be vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cybersecurity attacks, terrorist attacks, power losses, telecommunications failures, and other events beyond our control. In the event that AWS' or any other third-party provider's systems or service abilities are hindered by any of the events discussed above, our ability to operate our platform may be impaired, resulting in missing financial targets for a particular period. A decision to close the facilities without adequate notice, or other unanticipated problems, could result in lengthy interruptions to our platform. All of the aforementioned risks may be exacerbated if our or our partners' business continuity and disaster recovery plans prove to be inadequate.

Additionally, AWS may experience threats or attacks from computer malware, ransomware, viruses, social engineering (including phishing attacks), denial of service or other attacks, employee theft or misuse, and general hacking, which have become more prevalent in our industry. Any of these security incidents could result in unauthorized access to, damage to, disablement or encryption of, use or misuse of, disclosure of, modification of, destruction of, or loss of our data or our partners' data or disrupt our ability to provide our platform or service. Our platform's continuing and uninterrupted performance is critical to our success. Users may become dissatisfied by any system failure that interrupts our ability to provide our platform to them. We may not be able to easily switch our AWS operations to another cloud or other data center provider if there are disruptions or interference with our use of AWS, and, even if we do switch our operations, other cloud and data center providers are subject to the same risks. Sustained or repeated system failures would reduce the attractiveness of our platform to our partners, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our reputation and may adversely impact **the** use of our platform. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service.

AWS does not have an obligation to renew its agreements with us on commercially reasonable terms, or at all. Although alternative data center providers could host our platform on a substantially similar basis to AWS, transitioning the cloud infrastructure currently hosted by AWS to alternative providers could potentially be disruptive and we could incur significant one-time costs. If we are unable to renew our agreement with AWS on commercially reasonable terms, our agreement with AWS is prematurely terminated, or we add additional infrastructure providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new data center providers. If AWS or other infrastructure providers increase the costs of their services, our business, financial condition, operating results, cash flows, and prospects could be materially and adversely affected.

Our business could be materially and adversely affected by a cybersecurity breach or other attack involving our computer systems or those of our partners or third-party service providers.

Our systems and those of our partners and third-party service providers could be vulnerable to hardware and cybersecurity issues. Our operations are dependent upon the ability to protect our or our third-party service providers' computer equipment and systems against telecommunications failure or a similar catastrophic event. Cybersecurity incidents are increasing in frequency and evolving in nature and include, but are not limited to, installation of malicious software, ransomware, viruses, phishing attacks, denial of service or other attacks, breach by intentional or negligent conduct on the part of employees or other internal sources, unauthorized access to data and other electronic security breaches. Concerns about security increase when we transmit information (including personal data) electronically. Electronic transmissions can be subject to attack, interception, loss or corruption. In addition, computer viruses and malware can be distributed and spread rapidly over the internet and could infiltrate our systems or those of our buyers, sellers, and third-party service providers. Infiltration of our systems or those of our partners and third-party service providers could in the future lead to disruptions in systems, accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of confidential or otherwise protected information (including personal data) and the corruption of data.

Any damage or failure that causes an interruption in our operations could have an adverse effect on our business, financial condition, operating results, cash flows, and prospects. In addition, our operations are dependent upon our ability to protect the computer systems and network infrastructure utilized by us against damage from cybersecurity attacks by sophisticated third parties with substantial computing resources and capabilities and other disruptive problems caused by the internet or other users. Such disruptions would jeopardize the security of information stored in and transmitted through our computer systems and network infrastructure, which may result in significant liability and damage our reputation.

We take efforts to protect our systems and data, including establishing internal processes and implementing technological measures designed to provide multiple layers of security, and contract with third-party service providers to take similar steps. However, it is difficult or impossible to defend against every risk being posed by changing technologies as well as criminals' intent on committing cyber-crime, and these efforts may not be successful in preventing, detecting, or stopping attacks. The increasing sophistication and resources of cyber criminals and other non-state threat actors and increased actions by nation-state actors make keeping up with new threats difficult and could result in a breach of security. Controls employed by our information technology department and our partners and third-party service providers, including cloud vendors, could prove inadequate. A breach of our security that results in unauthorized access to our data could expose us to a disruption or challenges relating to our daily operations, as well as to data loss, litigation, damages, fines and penalties, significant increases in compliance costs and reputational damage, any of which could have a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects.

To the extent our systems rely on our partners or third-party service providers, through either a connection to, or an integration with, those third parties' systems, the risk of cybersecurity attacks and loss, corruption, or unauthorized publication of our information or the confidential information of consumers and employees may increase. Third-party risks may include insufficient security measures, data location uncertainty, and the possibility of data storage in inappropriate jurisdictions where laws or security measures may be inadequate. Although we generally have agreements relating to cybersecurity and data privacy in place with our partners and third-party service providers, they are limited in nature and we cannot assure you that such agreements will prevent the accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data (including personal data) or enable us to obtain adequate or any reimbursement from our partners or third-party service providers in the event we should suffer any such incidents.

Any or all of the issues above could adversely affect our ability to attract new partners and continue our relationship with existing partners, cause our partners to cancel their contracts with us or subject us to governmental or third-party lawsuits, investigations, regulatory fines or other actions or liability, thereby harming our business, financial condition, operating results, cash flows, and prospects. Any accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data, cybersecurity breach or other security incident that we or our partners could experience or the perception that one has occurred or may occur, could harm our reputation, reduce the demand for our products and services and disrupt normal business operations. In addition, it may require us to spend material resources to investigate or correct the breach and to prevent future security breaches and incidents, expose us to uninsured liability, increase our risk of regulatory scrutiny, expose us to legal liabilities, including litigation, regulatory enforcement, indemnity obligations or damages for contract breach, and cause us to incur significant costs, any of which could materially adversely affect our business, financial condition, and results of operations. Moreover, there could be public announcements regarding any such incidents and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could have a substantial adverse effect on the price of our Class A common stock. These risks may increase as we continue to grow and collect, process, store, and transmit increasingly large amounts of data. Although we are not aware of any material information security breaches to date, we have detected common types of attempts to attack our information systems and data.

We collect, process, store, share, disclose, transfer, and use consumer information and other data, and an actual or perceived failure to protect such information and data or respect users' privacy could damage our reputation and brand or negatively affect our ability to retain partners and harm our business, financial condition, operating results, cash flows, and prospects.

The operation of our platform involves the collection, processing, storage and transmission of consumers' information, including personal information, and security breaches could expose us to a risk of loss or exposure of this information, which could result in potential liability, investigations, regulatory fines, litigation, and remediation costs, as well as reputational harm, all of which could materially and adversely affect our business, financial condition, operating results, cash flows, and prospects. For example, unauthorized parties could steal consumer names, email addresses, physical addresses, phone numbers, and other information, which we collect when providing our services.

Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to consumers or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of sensitive information, which could include personally identifiable information or other user data, may result in governmental investigations, enforcement actions, regulatory fines, litigation, and public statements against us by consumer advocacy groups or others, and could cause consumers and partners to lose trust in us, all of which could be costly and have an adverse effect on our business, financial condition, operating results, cash flows, and prospects. Regulatory agencies or business partners may institute more stringent data protection requirements or certifications than those which we are currently subject to and, if we cannot comply with those standards in a timely manner, we may lose the ability to maintain our platform. Moreover, if third parties that we work with violate applicable laws or our policies, such violations also may put consumer or partner information at risk and could in turn harm our reputation, business, financial condition, operating results, cash flows, and prospects.

There can be no assurance that any security measures that we or our third-party service providers have implemented will be effective against current or future security threats. While we have developed systems and processes to protect the integrity, confidentiality, and security of our and our partners' data, our security measures or those of our third-party service providers could fail and result in unauthorized access to or disclosure, modification, misuse, loss or destruction of such data.

We may be unable to halt the operations of third-party websites that aggregate or misappropriate our data.

From time to time, third parties may misappropriate our data through website scraping, robots, or other means and aggregate this data on their websites with data from other companies. In addition, copycat websites may misappropriate data from our platform and attempt to imitate our brand or the functionality of our website. If we become aware of such websites, we intend to employ technological or legal measures in an attempt to halt their operations. However, we may be unable to detect all such websites in a timely manner and, even if we could, technological and legal measures may be insufficient to halt their operations. In some cases, particularly in the case of websites operating outside of the U.S., our available remedies may not be adequate to protect us against the effect of the operation of such websites. Regardless of whether we can successfully enforce our rights against the operators of these websites, any measures that we may take could require us to expend significant financial or other resources, which could harm our business, financial condition, operating results, cash flows, and prospects. In addition, to the extent that such activity creates confusion among consumers or advertisers, our brand and business could be harmed.

Our proprietary predictive modeling tools and artificial intelligence algorithms may not operate properly or as we expect them to, which could detrimentally impact our buyers' advertising campaigns. Moreover, our proprietary predictive modeling tools and artificial intelligence algorithms may lead to unintentional bias and discrimination.

We use proprietary predictive modeling tools and artificial intelligence algorithms in our product offerings. The data that we gather from interactions with consumers is evaluated and curated by proprietary predictive modeling tools and artificial intelligence algorithms. The continuous development, maintenance, and operation of our back-end data analytics engine is expensive and complex, and may involve unforeseen difficulties, including material performance problems, undetected defects or errors. We may encounter technical obstacles, and it is possible that we may discover additional problems that prevent our proprietary predictive modeling tools and artificial intelligence algorithms from operating properly. If our data analytics do not function reliably, this could negatively impact either the bidding experience for buyers on our platform or our ability to filter bids as part of the bid screening process or accurately predict a consumer's buying behavior. Any of these situations could result in buyers' dissatisfaction with us, which could cause our buyers to stop using our platform or prevent prospective buyers from using our platform. Additionally, our proprietary predictive modeling tools and artificial intelligence algorithms may lead to unintentional bias and discrimination, which could subject us to legal or regulatory liability as well as reputational harm. Any of these eventualities could result in a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects.

If the way cookies are used or shared, or if the use or transfer of cookies is restricted by third parties outside of our control or becomes subject to unfavorable legislation or regulation, our ability to develop and provide certain products or services could be affected.

Small text files (referred to as "cookies") placed on internet browsers by certain websites are used to gather data regarding a user's web browsing activity. For example, cookie data allows us to collect data about the websites and webpages that users may visit or to identify users on other websites who have previously visited our partners' websites. This information helps us to recognize prior users and to gather accurate conversion data from our partners. The availability of cookie data may be limited by numerous potential factors, including general trends among internet users to refuse to accept cookies on their web browsers, web browsers blocking third-party cookies by default or otherwise transitioning away from using cookies, other laws or regulations limiting the transferability or use of information gathered using cookies, or the refusal of providers of such information to provide it to us or to provide it to us on favorable terms. If we are not able to obtain this information on the terms we anticipate, our product offerings may be affected, which may cause a reduction in revenue or a reduction in revenue growth.

Our use of "open source" software could adversely affect our ability to protect our proprietary software and subject us to possible litigation.

Some of our services and technologies incorporate software licensed under so-called "open source" licenses. In addition to risks related to general license requirements, usage of "open source" software can lead to greater risks than use of third-party commercial software, as "open source" licensors generally do not provide warranties or controls on origin of the software or other contractual protections regarding infringement claims or code quality, as it is generally freely accessible, usable, and modifiable, and is made available to the general public on an "as-is" basis under the terms of a non-negotiable license. Additionally, "open source" licenses frequently require that source code subject to the license be made available to the public, and often require that modifications or derivative works to "open source" software continue to be licensed under "open source" licenses. Certain "open source" licenses mandate that proprietary software, when combined in specific ways with "open source" software, become subject to the "open source" license.

From time to time, companies that incorporate open source software into their platforms have faced claims challenging the use of open source software and/or compliance with open source license terms. We could be subject to suits by parties claiming ownership of what we believe to be open source software, or claiming non-compliance with open source licensing terms. Some open source licenses require users who distribute software containing open source to make available source code for modifications or derivative works we create based upon the type of open source software we use, or grant other licenses to our intellectual property, which in some circumstances could include valuable proprietary code of the user. While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, in part because open source license terms are often ambiguous. The terms of many open source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to provide our platform. If we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, or if an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations, could be subject to significant damages, enjoined from the operation of our platform or other liability, or be required to seek costly licenses from third parties to continue providing our platform on terms that are not economically feasible, to re-engineer our platform, to discontinue or delay the provision of our platform if re-engineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which would adversely affect our business, financial condition, operating results, cash flows, and prospects, and could help our competitors develop platforms that are similar to or better than ours.

We may not be able to protect and enforce our trademarks and trade names, or build name recognition in our markets of interest, thereby harming our competitive position.

If we apply to register trademarks in the U.S. and other countries, our applications may not be allowed for registration in a timely fashion or at all, and our registered trademarks may not be enforced. Furthermore, the steps that we have already taken to protect our intellectual property may not be sufficient or effective. Even if we do detect violations, we may need to engage in litigation to enforce our rights. In addition, the registered or unregistered trademarks or trade names that we own may be challenged, infringed, circumvented, declared generic, lapsed or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition.

In addition, opposition or cancellation proceedings may in the future be filed against our trademark applications and registrations, and our trademarks may not survive such proceedings. In addition, third parties may file first for our trademarks in certain countries. If they succeed in registering such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to market our products in those countries. If we do not secure registrations for our trademarks, we may encounter more difficulty in enforcing them against third parties than we otherwise would. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively, which could have a material adverse effect on our business, financial condition, operating results, cash flows, and prospects.

Risks related to laws and regulation

Changes in the regulation of the internet could adversely affect our business, financial condition, operating results, cash flows, and prospects.

Laws, rules and regulations governing internet communications, advertising and e-commerce are dynamic and the extent of future government regulation is uncertain. Federal and state regulations govern various aspects of our online business, including intellectual property ownership and infringement, trade secrets, the distribution of electronic communications, marketing and advertising, user privacy and data security, search engines, and internet tracking technologies. In addition, changes in laws or regulations that adversely affect the growth, popularity or use of the internet, including with respect to net neutrality, could decrease the demand for our offerings and increase our cost of doing business. Future taxation on the use of the internet or e-commerce transactions could also be imposed. Existing or future regulation or taxation could hinder growth in or adversely affect the use of the internet generally, including the viability of internet e-commerce, which could adversely affect our business, financial condition, operating results, cash flows, and prospects.

Our business is subject to a variety of laws and regulations, both in the U.S. and internationally, many of which are evolving.

We are subject to a wide variety of laws and regulations. Laws, regulations, and standards governing issues such as worker classification, employment, payments, worker confidentiality obligations, intellectual property, consumer protection, taxation, privacy, antitrust and data security are often complex and subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal and state administrative agencies. Many of these laws were adopted prior to the advent of the internet, mobile and related technologies and, as a result, do not contemplate or address the unique issues of the internet and mobile and related technologies. Other laws and regulations may be adopted in response to internet, mobile and related technologies. New and existing laws and regulations (or changes in interpretation of existing laws and regulations) may also be adopted, implemented, or interpreted to apply to us and other online platforms. As our platform's scope expands, regulatory agencies or courts may claim that we, or our users, are subject to additional requirements or that we are prohibited from conducting our business in or with certain verticals or jurisdictions. It is also possible that certain provisions in agreements with our buyers, sellers, and service providers may be found to be unenforceable or not compliant with applicable law.

Recent financial, political, and other events may increase the level of regulatory scrutiny on larger companies and technology companies in general. The effects of recently imposed and proposed governmental antitrust actions are uncertain because of the dynamic nature of such actions. Scrutiny and regulation of the technology industry may increase, which could require us to devote significant legal and other resources to addressing such scrutiny and regulation. The growth and development of the technology industry in general may prompt calls for greater enforcement of U.S. and/or state antitrust laws, which may impose additional burdens on companies such as ours. Regulatory agencies may also enact new laws or promulgate new regulations that are adverse to our business, or they may view matters or interpret laws and regulations differently than they have in the past or in a manner adverse to our business. Such regulatory scrutiny or action may create different or conflicting obligations on us from one jurisdiction to another. We may become subject to taxation in additional jurisdictions in the future.

Laws and regulations regulating insurance activities are complex and could negatively affect the insurance carriers who use our platform, which could in turn have a material and adverse effect on our business, may reduce our profitability and potentially limit our growth.

The insurance industry in the U.S. is heavily regulated. The insurance regulatory framework addresses, among other things: granting licenses to companies and agents to transact particular business activities; and regulating trade, marketing, compensation, and claims practices. The cost of compliance with such regulations or any non-compliance could impose material costs on them and negatively affect their business, marketing practices, and budgets, any of which could reduce their level of business with us and thus have a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects.

Furthermore, the laws and regulations governing the sale of insurance may change in ways that adversely impact our insurance partners' businesses. These changes could impact the manner in which they are permitted to conduct their businesses and could force them to reduce the compensation they receive, which could negatively affect their marketing practices, budgets, and overall level of business with us, which could adversely impact our business, financial condition, operating results, cash flows, and prospects.

Changes and developments in the regulation of the healthcare industry could adversely affect our business, financial condition, operating results, cash flows, and prospects.

The U.S. healthcare industry is subject to an evolving regulatory regime at both the federal and state levels. In recent years, there have been multiple reform efforts made within the healthcare industry in an effort to curtail healthcare costs. For example, the Patient Protection and Affordable Care Act of 2010 (the "PPACA") and related regulatory reforms have materially changed the regulation of health insurance. While it is difficult to determine the impact of potential reforms on our future business, it is possible that such changes in industry regulation could result in reduced demand for our platform. Our insurance partners may react to existing or future reforms, or general regulatory uncertainty, by reducing their reliance on our platform. Developments of this type could materially and adversely affect our business, financial condition, operating results, cash flows, and prospects.

Healthcare laws and regulations are rapidly evolving and may change significantly in the future, impacting the coverage and plan designs that are or will be provided by certain insurance carriers. Health reform efforts and measures may expand the role of government-sponsored coverage, including single payer or "Medicare-for-All" proposals, which could have far-reaching implications for the insurance industry if enacted. We are unable to predict the full impact of healthcare reform initiatives on our operations in light of the uncertainty regarding the terms and timing of any provisions enacted and the impact of any of those provisions on various healthcare and insurance industry participants. In particular, because our platform helps connect consumers to websites and other distribution channels where they can shop for insurance policies from a panel of insurance carriers, the expansion of government-sponsored coverage through "Medicare-for-All" or the implantation of a single payer system may adversely impact our business, financial condition, operating results, cash flows, and prospects.

Changes in laws or regulations relating to privacy, data protection or the protection or transfer of personal data could materially and adversely affect our business, financial condition, operating results, cash flows, and prospects.

We are subject to a variety of federal, state, local, and international laws, directives, and regulations, as well as contractual obligations, relating to privacy and the collection, protection, use, retention, security, disclosure, transfer, and other processing of personal information and other data, including the California Online Privacy Protection Act, the Personal Information Protection and Electronic Documents Act, the Controlling the Assault of Non-Solicited Pornography and Marketing Act (the "CAN-SPAM Act"), Canada's Anti-Spam Law ("CASL"), the Telephone Consumer Protection Act of 1991 (the "TCPA"), the U.S. Federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Section 5(c) of the Federal Trade Commission Act, the EU's General Data Protection Regulation ("GDPR"), supplemented by national laws (such as, in the United Kingdom, the Data Protection Act 2018) and further implemented through binding guidance from the European Data Protection Board, and the California Consumer Privacy Act (the "CCPA"). These laws, rules and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation and changes in enforcement, and may be inconsistent from one jurisdiction to another. As a result, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. Although we endeavor to comply with our published policies and documentation and ensure their compliance with current laws, rules and regulations, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policy and other documentation that provide promises and assurances about privacy and security can subject us to potential state and federal action in the U.S. if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Any failure by us or other parties with whom we do business to comply with this documentation or with federal, state, local or international regulations could result in proceedings against us by governmental entities, private parties or others. In many jurisdictions, enforcement actions and consequences for non-compliance are rising.

In the U.S., these include enforcement actions in response to rules and regulations promulgated under the authority of federal agencies and state attorneys general and legislatures and consumer protection agencies. A number of federal and state laws and regulations relating to privacy affect and apply to the insurance industry specifically, including those imposed by the New York Department of Financial Services. In addition, privacy advocates and industry groups have proposed and may propose new and different self-regulatory standards that either legally or contractually apply to us. If we fail to follow these security standards even if no customer information is compromised, we may incur significant fines or experience a significant increase in costs.

Internationally, virtually every jurisdiction in which we operate has established its own data security and privacy legal framework with which we or our customers must comply, including, but not limited to the EU. The EU's data protection landscape is currently unstable, resulting in potentially significant operational costs for internal compliance and risk to our business. The EU has adopted the GDPR, which went into effect in May 2018 and contains numerous requirements and changes from previously existing EU law, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the U.S. While we have taken steps to mitigate the impact on us with respect to transfers of data, such as implementing standard contractual clauses, the efficacy and longevity of these transfer mechanisms remains uncertain. The Court of Justice of the European Union (the "CJEU") issued a decision on July 16, 2020, invalidating the EU-US Privacy Shield Framework and calling the validity of standard contractual clauses into question under certain circumstances, which has made the legality of transferring personal data from the EU to the U.S. or various other jurisdictions outside of the EU more uncertain. While the European Data Protection Board recently issued certain draft guidance relating to ongoing use of the standard contractual clauses, including certain proposed amendments to the standard contractual clauses, the CJEU's decision has increased uncertainty surrounding data transfers from the EU to third countries that may not offer the same level of protection for data subjects' rights as the EU.

The enactment of the GDPR also introduced numerous privacy-related changes for companies operating in the EU, including greater control for data subjects (including, for example, the "right to be forgotten"), increased data portability for EU consumers, data breach notification requirements, and increased fines. In particular, under the GDPR, fines of up to €20 million or up to 4% of the annual global revenue of the non-compliant company, whichever is greater, could be imposed for violations of certain of the GDPR's requirements. Such penalties are in addition to any civil litigation claims by customers and data subjects. The GDPR requirements apply not only to third-party transactions, but also to transfers of information between us and our subsidiaries, including employee information.

In addition to the GDPR, Directive 2002/58/EC (as amended by Directive 2009/136/EC) (together, the "e-Privacy Directive") governs, among other things, the use of cookies and the sending of electronic direct marketing within the EU and, as such, will apply to our platform and products and our relationships with our partners. The ePrivacy Directive is expected to be replaced by an EU regulation known as the Regulation on Privacy and Electronic Communications (the "ePrivacy Regulation"), which is still under development and will replace current national laws that implement the ePrivacy Directive. Additional time and effort may need to be spent addressing differences between the ePrivacy Regulation and the GDPR. New rules related to the ePrivacy Regulation are likely to include enhanced consent requirements in order to use communications content and communications metadata, which may negatively impact our platform and products and our relationships with our partners.

Complying with the GDPR and the ePrivacy Regulation, when it becomes effective, may cause us to incur substantial operational costs or require us to change our business practices. Despite our efforts to bring practices into compliance before the effective date of the GDPR and ePrivacy Regulation, we may not be successful in our efforts to achieve compliance either due to internal or external factors such as resource allocation limitations or a lack of vendor cooperation. Non-compliance could result in proceedings against us by governmental entities, customers, data subjects or others. We may also experience difficulty retaining or obtaining new European or multi-national customers due to the legal requirements, compliance cost, potential risk exposure, and uncertainty for these entities, and we may experience significantly increased liability with respect to these customers pursuant to the terms set forth in our engagements with them.

Domestic laws in this area are also complex and developing rapidly. Many state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, and data breaches. Laws in all 50 states require businesses to provide notice to customers whose personally identifiable information has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is costly. States are also frequently amending existing laws, requiring attention to frequently changing regulatory requirements. For example, California recently enacted the CCPA, which became effective on January 1, 2020. The CCPA, among other things, requires new disclosures to California consumers and affords such consumers new abilities to access and delete their personal information, opt-out of certain sales of personal information and receive detailed information about how their personal information is used. The CCPA provides for fines of up to $7,500 per violation, as well as a private right of action for data breaches that is expected to increase the frequency of data breach litigation.

While the CCPA has already been amended multiple times, it is unclear how this legislation will be further modified or how it will be interpreted. The effects of this legislation potentially are far-reaching, however, and may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses. Additionally, a new privacy law, the California Privacy Rights Act (the “CPRA”), was approved by California voters in the election of November 3, 2020. The CPRA, which will take effect in most material respects on January 1, 2023, modifies the CCPA significantly, including by expanding consumers’ rights with respect to certain sensitive personal information and creating a new state agency to oversee implementation and enforcement efforts, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. The CCPA, CPRA and other changes in laws or regulations relating to privacy, data protection and information security, particularly any new or modified laws or regulations that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer or disclosure, could greatly increase the cost of providing our offerings, require significant changes to our operations or even prevent us from providing certain offerings in jurisdictions in which we currently operate and in which we may operate in the future.

Further, as we continue to expand our platform offerings and user base, we may become subject to additional privacy-related laws and regulations. For example, the collection and storage of healthcare data by health insurance carriers subject them to compliance requirements under HIPAA. HIPAA and its implementing regulations contain substantial restrictions and requirements regarding the use, collection, security, storage, and disclosure of individuals’ protected health information. In 2009, HIPAA was amended by the HITECH Act to impose certain of HIPAA’s privacy and security requirements directly upon business associates of covered entities. Health insurance carriers are covered entities under HIPAA. In the instance we are deemed to be a business associate of such carriers, we may be bound by compliance obligations under HIPAA, including security breach notification obligations, and subject to increased liability as a possible liable party. In such instance, if we knowingly breach the HITECH Act’s requirements, we could be exposed to criminal liability. A breach of our safeguards and processes could expose us to civil penalties up to $1.5 million for identical incidences and the possibility of civil litigation.

Additionally, we have incurred, and may continue to incur, significant expenses in an effort to comply with privacy, data protection and information security standards and protocols imposed by law, regulation, industry standards or contractual obligations. Despite our efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection, and information security, it is possible that our practices, offerings or platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations or obligations. Our failure, or the failure by our third-party providers or partners, to comply with applicable laws or regulations or any other obligations relating to privacy, data protection or information security, or any compromise of security that results in unauthorized access to, or use or release of personally identifiable information or other data, or the perception that any of the foregoing types of failure or compromise has occurred, could damage our reputation, discourage new and existing partners from using our platform, delay planned uses, and disclosures of data or result in fines or proceedings by governmental agencies and private claims and litigation, any of which could materially and adversely affect our business, financial condition, operating results, cash flows, and prospects. Even if not subject to legal challenge, the perception of privacy concerns, whether or not valid, may harm our reputation and brand and materially and adversely affect our business, financial condition, operating results, cash flows, and prospects.

Any legal liability for the information we communicate to consumers could harm our business and operating results.

Consumers may rely upon information we communicate regarding insurance plans, including information relating to insurance premiums, coverage, benefits, exclusions, limitations, availability, and plan comparisons. If we provide inaccurate information or information that could be construed as misleading, we could be found liable for related damages and our relationships with our insurance partners could suffer.

Our and our partners' communications with potential and existing consumers are subject to laws regulating telephone and email marketing practices.

We and our partners make telephone calls and send emails and text messages to potential and existing consumers. The U.S. regulates marketing by telephone and email and the laws and regulations governing the use of emails and telephone calls for marketing purposes continue to evolve, and changes in technology, the industry or consumer preferences may lead to the adoption of additional laws or regulations or changes in interpretation of existing laws or regulations. New laws or regulations, or changes to the manner in which existing laws and regulations are interpreted or enforced, may further restrict our and our partners' ability to contact potential and existing consumers by phone and email and could render us and them unable to communicate with consumers in a cost-effective fashion. The TCPA prohibits companies from making telemarketing calls to numbers listed in the Federal Do-Not-Call Registry and imposes other obligations and limitations on making phone calls and sending text messages to consumers. The CAN-SPAM Act regulates commercial email messages and specifies penalties for the transmission of commercial email messages that do not comply with certain requirements, such as providing an opt-out mechanism for stopping future emails from senders. We and our partners may be required to comply with these and similar laws, rules and regulations. Failure to comply with obligations and restrictions related to telephone, text message, and email marketing could subject us and them to lawsuits, fines, statutory damages, consent decrees, injunctions, adverse publicity, and other losses that could harm, directly or indirectly, our business, financial condition, operating results, cash flows, and prospects.

Risks related to being a public company

Our quarterly operating results or other operating metrics may fluctuate significantly and may not meet expectations of research analysts, which could cause the trading price of our Class A common stock to decline.

Our quarterly operating results and other operating metrics have fluctuated in the past and may in the future fluctuate as a result of a number of factors, many of which are outside of our control and may be difficult to predict. Period to period variability or unpredictability of our results could result in our failure to meet our expectations or those of any analysts that cover us or investors with respect to revenue or other operating results for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our Class A common stock could fall substantially, and we could face litigation, including securities class actions.

In addition, if one or more analysts covering our business downgrade their evaluations of our Class A common stock or the stock of other companies in our industry, the price of our Class A common stock could decline. If one or more analysts cease to cover our Class A common stock, we could lose visibility in the market for our Class A common stock, which in turn could cause our stock price to decline.

We are required to make significant estimates and assumptions in the preparation of our financial statements. These estimates and assumptions may not be accurate and are subject to change.

The preparation of our consolidated financial statements in conformity with GAAP requires our management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of our consolidated financial statements, and the reported amounts of income and expense during the reporting periods. If our underlying estimates and assumptions prove to be incorrect or if events occur that require us to revise our previous estimates or assumptions, our business, financial condition, operating results, cash flows, and prospects may be materially and adversely affected.

The obligations associated with being a public company require significant resources and management attention, which will increase our costs of operations and may divert focus from our business operations.

Prior to the IPO, we were not required to comply with the requirements of the SEC or to file periodic reports with the SEC. Following the completion of the IPO, we are now required to file periodic reports containing our consolidated financial statements with the SEC within a specified time following the completion of quarterly and annual periods. As a public company, we incur significant legal, accounting, insurance, and other expenses. Continued compliance with these reporting requirements and other rules of the SEC and the rules of the NYSE will increase our legal and financial compliance costs and make some activities more time consuming and costly. Furthermore, the need to maintain the corporate infrastructure demanded of a public company may divert management's attention from implementing our growth strategy, which could prevent us from successfully implementing our strategic initiatives and improving our business, financial condition, operating results, cash flows, and prospects.

We have identified a material weakness in our internal control over financial reporting related to the accounting for equity-based compensation arrangements. If we are unable to remediate the material weakness related to the accounting for equity-based compensation arrangements, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business.

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

The material weakness we identified relates to the accounting for equity-based compensation arrangements. Specifically, we did not design and maintain effective controls to ensure that the applicable guidance and accounting policies were appropriately applied to equity-based compensation arrangements and were properly reflected in our consolidated financial statements. The material weakness resulted in misstatements to Members' Equity and Equity-based compensation which resulted in the restatement of our audited consolidated financial statements. Additionally, this control deficiency could result in a misstatement to the aforementioned accounts and disclosures that would result in a material misstatement of our consolidated financial statements that would not be prevented or detected, and accordingly, we determined this control deficiency constitutes a material weakness.

We are in the process of implementing measures designed to improve our internal control over financial reporting and remediate the control deficiency that led to the material weakness that remains unremediated related to the accounting for equity-based compensation arrangements. This includes designing and implementing new control activities related to the accounting for equity-based compensation arrangements, as well as engaging a third-party valuation specialist to supplement our finance and accounting personnel. We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiency that led to the material weakness in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. In addition, neither our management nor an independent registered public accounting firm has performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act because no such evaluation has been required. Had we or our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses may have been identified. If we are unable to successfully remediate our existing material weakness or any future material weaknesses in our internal control over financial reporting, or identify any additional material weaknesses, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting, and our share price may decline as a result. As a public company, we will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K.

In addition, because the material weakness discussed above had not been fully remediated as of December 31, 2020, our management was unable to conclude that our disclosure controls and procedures were effective as of December 31, 2020. See “Management’s discussion and analysis of financial condition and results of operations—Internal control over financial reporting and evaluation of disclosure controls and procedures.”

If we cannot comply with the requirements of the Sarbanes-Oxley Act in a timely manner or attest that our internal control over financial reporting is effective or otherwise fail to maintain effective internal control over financial reporting, we may not be able to report our financial results accurately and timely, in which case our business may be harmed, investors may lose confidence in the accuracy and completeness of our financial reports and the price of our Class A common stock may decline.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on our system of internal control. Our 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 GAAP. As a public company, we are required to comply with the Sarbanes-Oxley Act and other rules that govern public companies. In particular, we will be required to certify our compliance with Section 404 of the Sarbanes-Oxley Act beginning with our second annual report on Form 10-K, which will require us to furnish annually a report by management on the effectiveness of our internal control over financial reporting. Moreover, beginning with our second annual report on Form 10-K, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting on an annual basis unless we are a non-accelerated filer. However, while we remain an emerging growth company and elect transitional relief available to emerging growth companies, our independent registered public accounting firm will not be required to report on the effectiveness of our internal control over financial reporting. In addition, in connection with the preparation of our consolidated financial statements as of and for the years ended December 31, 2018 and 2019, we identified material weaknesses in our internal control over financial reporting. See “Risk factors—We have identified a material weakness in our internal control over financial reporting related to the accounting for equity-based compensation arrangements. If we are unable to remediate the material weakness related to the accounting for equity-based compensation arrangements, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business.”

If we continue to have material weaknesses or identify material weaknesses in our internal control over financial reporting in the future, if we cannot comply with the requirements of the Sarbanes-Oxley Act in a timely manner or attest that our internal control over financial reporting is effective, or if our independent registered public accounting firm cannot express an unqualified opinion as to the effectiveness of our internal control over financial reporting when required, we may not be able to accurately and timely report our financial results. As a result, investors, counterparties, and consumers may lose confidence in the accuracy and completeness of our financial reports; our liquidity, access to capital markets and perceptions of our creditworthiness could be adversely affected; and the market price of our Class A common stock could decline. In addition, we could become subject to investigations by the NYSE, the SEC or other regulatory authorities, which could require additional financial and management resources. These events could have a material and adverse effect on our business, financial condition, operating results, cash flows, and prospects.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act. We could continue to be considered an emerging growth company for up to five years, although we would lose that status sooner if our gross revenue exceeds $1.07 billion, if we issue more than $1.0 billion in nonconvertible debt in a three-year period, or if the fair value of our common stock held by non-affiliates exceeds $700.0 million (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K). For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. It is unclear whether investors will find our Class A common stock less attractive because we may rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, while we are an emerging growth company we will not be subject to new or revised accounting standards (for example, Accounting Standards Codification, Topic 842, *Leases*) at the same time that they become applicable to other public companies that are not emerging growth companies. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates, and we will incur additional costs in connection with complying with the accounting standards applicable to public companies at such time or times as they become applicable to us.

Risks related to our Class A common stock and this offering

The market price of our Class A common stock may be subject to substantial fluctuations, which may make it difficult for you to sell your shares at the volume, price and times desired.

The market price of our Class A common stock may be highly volatile, which may make it difficult for you to sell your shares at the volume, prices and times desired. Shares of technology companies have historically experienced levels of volatility that can exceed the overall market. Since shares of our Class A common stock were initially sold in the IPO in October 2020 at a price of $19 per share, the low and high closing sales prices of our Class A common stock have ranged from $31.86 to $49.03 per share, respectively, through December 31, 2020. Some specific factors that may have a significant effect on the market price of our Class A common stock include:

- actual or anticipated fluctuations in our operating results or those of our competitors;
- actual or anticipated changes in the growth rate of the online insurance/digital advertising market or the growth rate of our businesses or those of companies that investors deem comparable to us;
- changes in economic or business conditions;
- changes in governmental regulation; and
- publication of research reports about us, our competitors or our industry, or changes in, or failure to meet, estimates made by securities analysts or ratings agencies of our financial and operating performance, or lack of research reports by industry analysts or ceasing of analyst coverage.

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise would dilute all other stockholders.

We may issue additional capital stock in the future. Any such issuance would result in dilution to all other stockholders. In the future, we may issue additional stock, including as a grant of equity awards to employees, directors and consultants under our equity incentive plans, to raise capital through equity financings or to acquire or make investments in companies, products or technologies for which we may issue equity securities to pay for such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our Class A common stock to decline.

We do not intend to pay dividends in the foreseeable future.

The declaration and amount of any future dividends to holders of our Class A common stock is at the discretion of our Board of Directors in accordance with applicable law and after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, cash flows, impact on our effective tax rate, indebtedness, contractual obligations, legal requirements, and other factors that our Board of Directors deems relevant. In addition, the 2020 Credit Agreement contains restrictions on our ability to pay dividends, subject to certain exceptions. Accordingly, we do not expect to pay dividends in the foreseeable future. As a result, capital appreciation, if any, of our Class A common stock will be your sole source of gain for the foreseeable future.

The market price of our Class A common stock could decline due to the large number of shares of Class A common stock eligible for future sale upon the exchange of Class B-1 units of QL Holdings LLC.

The market price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock eligible for sale and for future sale upon the exchange of Class B-1 units of QL Holdings LLC (together with an equal number of shares of our Class B common stock), or the perception that such sales could occur. These sales, or the possibility that these sales may occur, may also make it more difficult for us to raise additional capital by selling equity securities in the future, at a time and price that we deem appropriate.

As of March 10, 2021, after giving effect to this offering, 37,692,626 Class A-1 units of QL Holdings LLC and 21,694,456 Class B-1 units of QL Holdings LLC would have been outstanding. Each Class B-1 unit, together with one share of our Class B common stock, is exchangeable for one share of Class A common stock (or, at our election, cash of an equivalent value), as described under "Organizational structure—Fourth amended and restated limited liability company agreement of QL Holdings LLC." Pursuant to a registration rights agreement, we have granted registration rights to certain of our existing investors, including White Mountains, Insignia, and the Senior Executives, with respect to their shares of our Class A common stock, including those delivered in exchange for Class B-1 units of QL Holdings LLC. See "Organizational structure—Registration rights agreement."

Sales of a substantial number of shares of our Class A common stock by our pre-initial public offering stockholders ("pre-IPO stockholders") in the public market could cause the price of our Class A common stock to fall.

If our pre-IPO stockholders sell substantial amounts of our Class A common stock in the public market, the market price of our Class A common stock could decrease significantly. The perception in the public market that our pre-IPO stockholders might sell shares of Class A common stock could also depress our market price. As of March 10, 2021, we had 33,815,086 shares of Class A common stock outstanding and 25,536,043 shares of Class B common stock outstanding. In connection with this offering, J.P. Morgan Securities LLC and Citigroup Global Markets Inc., as representatives of the several underwriters in the IPO, have agreed to release the restrictions under the lock-up agreements that were executed in connection with the IPO with respect to up to 7,000,000 shares (or up to 8,050,000 shares including the underwriters' option to purchase additional shares) of our Class A common stock in this offering provided that the release of shares of our Class A common stock held by the selling stockholders is limited to the shares actually sold in this offering. This includes 2,260,148 shares (or up to 2,597,083 shares including the underwriters' option to purchase additional shares) beneficially owned by certain of our directors or entities with which they are affiliated. Accordingly, as of March 10, 2021, after giving pro forma effect to this offering, we would have had 37,692,626 shares of our Class A common stock outstanding and 21,658,503 shares of our Class B common stock outstanding (or 38,272,882 shares and 21,078,247 shares, respectively, if the underwriters exercise this option to purchase additional shares in full).

Our executive officers and directors are subject to the lock-up agreements described under "Underwriting" and the Rule 144 holding period requirements described under "Shares eligible for future sale." After all of these lock-up periods have expired and the holding periods have elapsed and, in the case of any restricted stock, the shares have vested, additional shares will be eligible for sale in the public market. The market price of shares of our Class A common stock may drop significantly when the restrictions on resale by our existing stockholders lapse. A decline in the price of shares of our Class A common stock might impede our ability to raise capital through the issuance of additional shares of our Class A common stock or other equity securities.

We cannot predict the effect our dual class structure may have on the market price of our Class A common stock.

We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock, in adverse publicity, or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indices. In July 2017, S&P Dow Jones announced that it will no longer admit companies with multiple-class share structures to certain of its indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400, and S&P SmallCap 600, which together make up the S&P Composite 1500. Also in 2017, MSCI, a leading stock index provider, opened public consultations on their treatment of no-vote and multi-class structures and temporarily barred new multi-class listings from certain of its indices. Under such announced policies, the dual class structure of our stock would make us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to track those indices would not invest in our Class A common stock. These policies are relatively new and it is unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from such indices, but it is possible they may depress valuations, compared to similar companies that are included. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

Certain provisions in our amended and restated certificate of incorporation, our amended and restated bylaws, our stockholders' agreement and of Delaware law may prevent or delay an acquisition of MediaAlpha, Inc., which could decrease the trading price of our Class A common stock.

Our amended and restated certificate of incorporation, amended and restated bylaws and stockholders' agreement contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with our Board of Directors rather than to attempt a hostile takeover. Among other things, these provisions:

- divide our Board of Directors into three staggered classes of directors that are each elected to three-year terms;
- provide the Board of Directors with the sole ability to fill a vacancy created by the expansion of the Board of Directors;
- prohibit stockholder action by written consent after the date on which White Mountains, Insignia, and the Founders cease to collectively own at least a majority in voting power of shares of our common stock;
- authorize the issuance of "blank check" preferred stock that could be issued by our Board of Directors to increase the number of outstanding shares of capital stock, making a takeover more difficult and expensive;
- prohibit cumulative voting in the election of directors, which could otherwise allow less than a majority of stockholders to elect director candidates;
- provide that special meetings of the stockholders may be called only by or at the direction of the Board of Directors, the chairman of our board, the Chief Executive Officer or, so long as White Mountains, Insignia, and the Founders collectively own at least a majority in voting power of shares of our common stock, any such stockholder, subject to certain limitations;
- require advance notice to be given by stockholders for any stockholder proposals or director nominees;
- after the date on which White Mountains, Insignia, and the Founders cease to collectively own at least a majority in voting power of shares of our common stock, require the affirmative vote of holders of at least 75% of the voting power of our outstanding shares of common stock to amend certain provisions of our amended and restated certificate of incorporation and any provision of our amended and restated bylaws;
- after the date on which White Mountains, Insignia, and the Founders cease to collectively own at least a majority in voting power of shares of our common stock, require the affirmative vote of holders of at least 75% of the voting power of our outstanding shares of common stock to remove directors and only for cause;
- provide that each of White Mountains, Insignia and the Founders are entitled to (i) nominate two directors to the Board of Directors for so long as such stockholder owns at least 12.5% of our issued and outstanding shares of common stock as of the closing of our IPO and (ii) nominate one director to the Board of Directors for so long as such stockholder owns less than 12.5% but at least 5% of our issued and outstanding shares of common stock as of the closing of our IPO;
- provide that White Mountains, Insignia and the Founders agree to vote for each other's board nominees pursuant to the terms of the stockholders' agreement; and

- require the prior written consent of a majority in interest of White Mountains, Insignia and the Founders for any change in the size of the Board of Directors and to engage in change in control transactions, for so long as such stockholders own at least a majority of the issued and outstanding shares of common stock.

In addition, Section 203 of the General Corporate Law of the State of Delaware (the “DGCL”) may affect the ability of an “interested stockholder” to engage in certain business combinations, for a period of three years following the time that the stockholder becomes an “interested stockholder.” We elected in our amended and restated certificate of incorporation not to be subject to Section 203 of the DGCL. Nevertheless, our amended and restated certificate of incorporation contains provisions that have the same effect as Section 203 of the DGCL, except that they provide that each of White Mountains, Insignia, and the Founders and their respective affiliates and transferees are not be deemed to be “interested stockholders,” and accordingly will not be subject to such restrictions.

These and other provisions could have the effect of discouraging, delaying or preventing a transaction involving a change in control of our company or could make it more difficult for you and other stockholders to elect directors of your choosing or to cause us to take other corporate actions that you desire. See “Description of capital stock.”

Our amended and restated certificate of incorporation and stockholders’ agreement contain provisions renouncing our interest and expectation to participate in certain corporate governance opportunities identified by or presented to certain of our existing investors.

Each of White Mountains, Insignia, and the Founders and their respective affiliates may engage in activities similar to ours or lines of business or have an interest in the same areas of corporate opportunities as we do. Our amended and restated certificate of incorporation and stockholders’ agreement provide that such stockholders and their respective affiliates will not have any duty to refrain from (1) engaging, directly or indirectly, in the same or similar business activities or lines of business as us, including those business activities or lines of business deemed to be competing with us, or (2) doing business with any of our clients, customers or vendors. In the event that White Mountains, Insignia or the Founders or any of their respective affiliates acquires knowledge of a potential business opportunity which may be a corporate opportunity for us, they will have no duty to communicate or offer such corporate opportunity to us. Our amended and restated certificate of incorporation and stockholders’ agreement also provide that, to the fullest extent permitted by law, none of such stockholders or their respective affiliates will be liable to us, for breach of any fiduciary duty or otherwise, by reason of the fact that any such stockholder or any of its affiliates directs such corporate opportunity to another person, or otherwise does not communicate information regarding such corporate opportunity to us, and we will waive and renounce any claim that such business opportunity constituted a corporate opportunity that should have been presented to us. These potential conflicts of interest could have a material and adverse effect on our business, financial condition, operating results, cash flows and prospects if attractive business opportunities are allocated by White Mountains, Insignia or the Founders to themselves or their respective affiliates instead of to us. See “Description of capital stock—Corporate opportunity.”

Our amended and restated certificate of incorporation contains exclusive forum provisions that may discourage lawsuits against us and our directors and officers.

Our amended and restated certificate of incorporation provides that unless the Board of Directors otherwise determines, the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, are the sole and exclusive forum for any derivative action or proceeding brought on behalf of us, any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our stockholders, any action asserting a claim against us or any of our directors or officers arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, or any action asserting a claim against us or any of our directors or officers governed by the internal affairs doctrine under Delaware law. In addition, our amended and restated certificate of incorporation provides that the federal district courts of the United States are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act but that the forum selection provision will not apply to claims brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended (the “Exchange Act”). While the Delaware Supreme Court has recently upheld provisions of the certificates of incorporation of other Delaware corporations that are similar to this forum provision, a court of a state other than the State of Delaware could decide that such provisions are not enforceable under the laws of that state. These exclusive forum provisions may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors and officers. Alternatively, if a court were to find one or more of these exclusive forum provisions inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions or forums, which could materially and adversely affect our business, financial condition, operating results, cash flows, and prospects. For example, under the Securities Act, federal courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in our Class A common stock shall be deemed to have notice of and consented to this exclusive forum provision, but will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

Our amended and restated bylaws provide that, if a claiming party brings certain actions against us and is not successful on the merits, then it will be obligated to pay our litigation costs, which could have the effect of discouraging litigation, including claims brought by our stockholders.

Our amended and restated bylaws provide that, except to the extent prohibited by the DGCL, and unless our Board of Directors otherwise approves, in the event that any claiming party (a) initiates, asserts, joins, offers substantial assistance to or has a direct financial interest in a covered proceeding and (b) such claiming party does not obtain a judgment on the merits that substantially achieves, in substance and amount, the full remedy sought by such claiming party, then each such claiming party will be obligated to reimburse us and any applicable director, officer or other employee for all fees, costs, and expenses of every kind and description (including, but not limited to, all attorneys' fees and other litigation expenses) that we or any such director, officer or other employee actually incurs in connection with the covered proceeding. While application of this standard will necessarily need to take into account the particular facts, circumstances, and equities of any particular claim, we would expect a claiming party to be required to prevail on the merits on substantially all of the claims asserted in the complaint and, as a result, receive substantially the full remedy that it was seeking (including, if applicable, any equitable remedy) in order to avoid responsibility for reimbursing such fees, costs, and expenses. Any person or entity purchasing or otherwise acquiring any interest in the shares of our capital stock will be deemed to have notice of and consented to this provision. This provision could have the effect of discouraging litigation against us, including claims brought by our stockholders and including claims that are partially (but not wholly) successful on the merits. However, it is currently unclear whether the Delaware legislature will take action to eliminate or limit the ability of stock corporations to implement provisions such as this, or whether Delaware courts will enforce in full a provision such as this for a Delaware stock corporation. If the Delaware legislature takes action to limit or eliminate our ability to include this provision in our amended and restated bylaws or a court were to find this provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

Our Board of Directors has the ability to issue blank check preferred stock, which may discourage or impede acquisition attempts or other transactions.

Our Board of Directors has the power, subject to applicable law, to issue series of preferred stock that could, depending on the terms of the series, impede the completion of a merger, tender offer or other takeover attempt. For instance, subject to applicable law, a series of preferred stock may impede a business combination by including class voting rights, which would enable the holder or holders of such series to block a proposed transaction. Our Board of Directors will make any determination to issue shares of preferred stock based on its judgment as to our and our stockholders' best interests. Our Board of Directors, in so acting, could issue shares of preferred stock having terms which could discourage an acquisition attempt or other transaction that some, or a majority, of the stockholders may believe to be in their best interests or in which stockholders would have received a premium for their stock over the then prevailing market price of the stock.

Different interests among our investors or between our investors and us, including with respect to related party transactions, could prevent us from achieving our business goals.

For the foreseeable future, we expect that a majority of our Board of Directors will include directors who are affiliated with White Mountains, Insignia, and the Founders. See "Certain relationships and related party transactions." Certain of our pre-IPO stockholders could have business interests that conflict with those of the other investors, which may make it difficult for us to pursue strategic initiatives that require consensus among our owners.

Our relationship with our pre-IPO stockholders could create conflicts of interest among our investors, or between our investors and us, in a number of areas relating to our past and ongoing relationships. In addition, our pre-IPO stockholders may have different tax positions from us which could influence their decisions regarding whether and when to dispose of assets, whether and when to incur new or refinance existing indebtedness, especially in light of the existence of the tax receivables agreement, and whether and when we should terminate the tax receivables agreement and accelerate our obligations thereunder. In addition, the structuring of future transactions may take into consideration these pre-IPO stockholders' tax or other considerations even where no similar benefit would accrue to us. Except as set forth in the tax receivables agreement and the stockholders' agreement, there are no formal dispute resolution procedures in place to resolve conflicts between us and our pre-IPO stockholders or among our pre-IPO stockholders. We may not be able to resolve any potential conflicts between us and any pre-IPO stockholders and, even if we do, the resolution may be less favorable to us than if we were negotiating with an unaffiliated party.

This concentration of ownership and voting power may also delay, defer or even prevent an acquisition by a third party or other change of control of our company which could deprive you of an opportunity to receive a premium for your shares of Class A common stock and may make some transactions more difficult or impossible without the support of such pre-IPO stockholders, even if such events are in the best interests of minority stockholders. Furthermore, this concentration of voting power may have a negative impact on the price of our Class A common stock.

Pursuant to the stockholders' agreement, certain of our actions will generally require prior written consent of a majority in interest of White Mountains, Insignia, and the Founders, for so long as such stockholders continue to own at least a majority of the issued and outstanding shares of common stock. Each of White Mountains, Insignia, and the Founders is also entitled to nominate one or two directors to the Board of Directors for so long as such stockholder owns at least 12.5%, in the case of two directors, or less than 12.5% but at least 5%, in the case of one director, of our issued and outstanding shares of common stock as of the closing of our IPO. See "Organizational structure—Stockholders' agreement."

Section 203 of the DGCL may affect the ability of an "interested stockholder" to engage in certain business combinations, for a period of three years following the time that the stockholder becomes an "interested stockholder." We elected in our amended and restated certificate of incorporation not to be subject to Section 203 of the DGCL. Nevertheless, our amended and restated certificate of incorporation contains provisions that have the same effect as Section 203 of the DGCL, except that they provide that each of White Mountains, Insignia, and the Founders and their respective affiliates and transferees are not deemed to be "interested stockholders," and accordingly are not subject to such restrictions.

In addition, because Insignia and the Founders hold their economic interest in our business indirectly through QL Holdings LLC, but not through MediaAlpha, Inc., these existing owners may have conflicting interests with holders of shares of our Class A common stock.

We are a "controlled company" within the meaning of the NYSE rules and, as a result, we qualify for exemptions from certain corporate governance requirements. Our stockholders do not have the same protections afforded to stockholders of companies that are subject to such requirements.

Certain of our pre-IPO stockholders that are a party to the stockholders' agreement own a majority of the voting power of our outstanding common stock. Accordingly, we are considered a "controlled company" under the NYSE rules. Under these rules, a "controlled company" may elect not to comply with certain corporate governance requirements, including the requirements that, within one year of the date of listing of our Class A common stock:

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

We intend to continue to take advantage of these exemptions for so long as we continue to qualify as a "controlled company." Accordingly, our stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements. See "Management—Controlled company."

Risks related to our structure

We are a holding company and our only material asset is our indirect interest in QL Holdings LLC and, accordingly, we are dependent upon distributions from QL Holdings LLC to pay taxes and other expenses.

We are a holding company and have no material assets other than our indirect ownership of Class A-1 units of QL Holdings LLC. We have no independent means of generating revenue, all of which is generated by QL Holdings LLC's subsidiary, QuoteLab, LLC. QL Holdings LLC is treated as a partnership for U.S. federal income tax purposes and, as such, is not itself subject to U.S. federal income tax. Instead, its taxable income is allocated to its members, including us. Accordingly, we incur income taxes on our allocable share of any such income. In addition, we will continue to incur expenses related to our operations. We intend (a) to continue to cause QuoteLab, LLC to make cash distributions to its sole member, QL Holdings LLC, and (b) in turn to continue to cause QL Holdings LLC to make *pro rata* cash distributions, or tax distributions, to its members, including us, to (i) fund our U.S. federal, state and local tax obligations in respect of our allocable share of QL Holdings LLC's taxable income and (ii) cover our obligations under the tax receivables agreement, as described under "Organizational structure—Tax receivables agreement." In certain cases, QL Holdings LLC may also make tax distributions for a fiscal quarter to another member in respect of its pre-exchange allocable share of QL Holdings LLC's taxable income for such fiscal quarter relating to Class B-1 Units (if any) transferred to us by such member (pursuant to the exchange agreement) before the applicable tax distribution date. To the extent that we need funds to pay our tax or other liabilities or to fund our operations, and QL Holdings LLC or QuoteLab, LLC is restricted from making distributions to us under applicable agreements, laws or regulations or does not have sufficient cash to make these distributions, we may have to borrow funds to meet these obligations and operate our business, and our business, financial condition, operating results, cash flows, and prospects could be materially and adversely affected. To the extent that we are unable to make payments under the tax receivables agreement for any reason, such payments will be deferred and will accrue interest until paid.

In certain circumstances, recently enacted legislation may impute liability for adjustments to QL Holdings LLC's tax return on QL Holdings LLC itself, which may cause QL Holdings LLC to be subject to material liabilities.

Recently enacted legislation may impute liability for adjustments to a partnership's tax return on the partnership itself in certain circumstances, absent an election to the contrary. QL Holdings LLC may be subject to material liabilities pursuant to this legislation and related guidance if, for example, its calculations of taxable income are incorrect.

We are required to pay Insignia, the Senior Executives, and White Mountains for certain tax benefits we may claim in the future, and these amounts are expected to be material.

In connection with the IPO, we purchased Class B-1 units of QL Holdings LLC from certain unitholders (including the Selling Class B-1 Unit Holders). In connection with this offering and in the future, Class B-1 units of QL Holdings LLC may be exchanged, together with an equal number of shares of our Class B common stock, for shares of our Class A common stock (or, at our election, cash of an equivalent value). Our initial purchase of units in the IPO and the exchanges of Class B-1 units in connection with this offering, the Pre-IPO Leveraged Distribution and other actual or deemed distributions by QL Holdings LLC to its members, and the post-IPO exchanges of Class B-1 units of QL Holdings LLC may result in increases in our share of the tax basis of the assets of QL Holdings LLC. In connection with the IPO, we entered into the tax receivables agreement with Insignia, the Senior Executives, and White Mountains related to the tax basis step-up of the assets of QL Holdings LLC and certain net operating losses of Intermediate Holdco. Pursuant to the tax receivables agreement, we are required to pay Insignia and the Senior Executives 85% of the amount of the cash savings, if any, in U.S. federal, state and local income tax that we realize (or are deemed to realize) as a result of these possible increases in tax basis as well as certain other tax benefits attributable to payments under the tax receivables agreement itself. The tax receivables agreement also requires us to pay White Mountains 85% of the amount of the cash savings, if any, in U.S. federal, state and local income tax that we realize (or are deemed to realize) as a result of the utilization of the net operating losses of Intermediate Holdco attributable to periods prior to our IPO and the deduction of any imputed interest attributable to our payment obligations under the tax receivables agreement. We currently estimate that the amount of any such net operating losses is immaterial.

The payments that we make under the tax receivables agreement could be substantial. Assuming no material changes in relevant tax law and based on our current operating plan and other assumptions, if all of the Class B-1 units of QL Holdings LLC were acquired by us in taxable transactions on December 31, 2020 for a price of $39.07 (which is the last reported sale price of our Class A common stock as of December 31, 2020 on the NYSE) per Class B-1 unit of QL Holdings LLC, we estimate that the amount that we would be required to pay under the tax receivables agreement could be approximately $293 million. The actual amount we will be required to pay under the tax receivables agreement may be materially greater than this hypothetical amount as potential future payments will vary depending on a number of factors, including the timing of the exchanges, the price of our Class A common stock at the time of the exchanges, the amount, character, and timing of our income and the tax rates then applicable. Payments under the tax receivables agreement are not conditioned on Insignia's, the Senior Executives', or White Mountains' continued ownership of any of our equity.

We will not be reimbursed for any payments made to Insignia, the Senior Executives, or White Mountains under the tax receivables agreement in the event that any tax benefits are disallowed.

Although we are not aware of any issue that would cause the U.S. Internal Revenue Service (the "IRS") or other relevant tax authorities to challenge potential tax basis increases or other tax benefits covered by the tax receivables agreement, if the IRS successfully challenges the tax basis increases at any point in the future after payments are made under the tax receivables agreement, we will not be reimbursed for any payments made under the tax receivables agreement (although future payments under the tax receivables agreement, if any, would be netted against any unreimbursed payments to reflect the result of any such successful challenge by the IRS). As a result, we could make payments under the tax receivables agreement in excess of our cash tax savings that we ultimately realize. We might not determine whether we have effectively made such excess cash payments for a number of years following the time of such payments. See "Organizational structure—Tax receivables agreement."

We may not be able to realize all or a portion of the tax benefits that are currently expected to result from our purchase (through Intermediate Holdco) of Class B-1 units of QL Holdings LLC from certain unitholders (including the Selling Class B-1 Unitholders) in connection with the IPO, the Pre- IPO Leveraged Distribution and other actual or deemed distributions by QL Holdings LLC to its members, post-IPO exchanges (including in connection with this offering) of Class B-1 units of QL Holdings LLC, the utilization of pre-IPO net operating losses of Intermediate Holdco, and payments made under the tax receivables agreement.

Our ability to realize the tax benefits that we currently expect to be available as a result of (i) the increases in tax basis created by our purchase (through Intermediate Holdco) of Class B-1 units of QL Holdings LLC from certain unitholders (including the Selling Class B-1 Unitholders) in connection with the IPO, or by any post-IPO exchanges (including in connection with this offering) of Class B-1 units of QL Holdings LLC, in each case, together with an equal number of shares of our Class B common stock, for shares of our Class A common stock (or, at our election, cash of an equivalent value), (ii) the Pre-IPO Leveraged Distribution and other actual or deemed distributions by QL Holdings LLC to its members that result in tax basis adjustments to the assets of QL Holdings LLC, (iii) payments made pursuant to the tax receivables agreement, (iv) our ability to utilize the pre-IPO net operating losses of Intermediate Holdco, and (v) our ability to utilize the interest deductions imputed under the tax receivables agreement all depend on a number of assumptions, including that we earn sufficient taxable income each year during the period over which the deductions arising from such basis increases and payments are available and that there are no adverse changes in applicable law or regulations. If our actual taxable income is insufficient or there are adverse changes in applicable law or regulations, we may be unable to realize all or a portion of these expected benefits and our cash flows and stockholders' equity could be negatively affected. See "Organizational structure—Tax receivables agreement."

In certain cases, payments by us under the tax receivables agreement may be accelerated or significantly exceed the tax benefits we realize in respect of the tax attributes subject to the tax receivables agreement.

The tax receivables agreement provides that upon certain changes of control, or if, at any time, we elect an early termination of the tax receivables agreement or are in material breach of our obligations under the tax receivables agreement, we will be required to make immediate payments to the tax receivables agreement's counterparties equal to the present value of the anticipated future tax benefits. Such payments would be based on certain valuation assumptions and deemed events set forth in the tax receivables agreement, including the assumption that we have sufficient taxable income to fully use such tax benefits. The benefits would be payable even though, in certain circumstances, no Class B-1 units of QL Holdings LLC have actually been exchanged and no net operating losses are actually used at the time of the accelerated payments. Accordingly, payments under the tax receivables agreement may be made years in advance of the actual realization, if any, of the anticipated tax benefits and may be significantly greater than the benefits we eventually realize. In these situations, our obligations under the tax receivables agreement could have a substantial negative impact on our liquidity.

We may not be able to finance our obligations under the tax receivables agreement and any indebtedness we incur may limit our subsidiaries' ability to make distributions to us to pay these obligations. In addition, our obligations under the tax receivables agreement could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control that could be in the best interests of holders of our Class A common stock. See "Organizational structure—Tax receivables agreement."

Cautionary note regarding forward-looking statements

This prospectus contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would," and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, the following:

- Our ability to attract and retain insurance carriers to our platform and to make available quality Consumer Referrals at attractive volumes and prices to drive transactions on our platform;
- Our reliance on a limited number of insurance carriers, many of which have no long-term contractual commitments with us, and any potential termination of those relationships;
- Existing and future laws and regulations affecting the property & casualty insurance, health insurance and life insurance verticals;
- Changes and developments in the regulation of the underlying industries in which our partners operate;
- Competition with other technology companies engaged in digital customer acquisition, as well as buyers that attract consumers through their own customer acquisition strategies, third-party online platforms or other traditional methods of distribution;
- Our ability to attract, integrate and retain qualified employees;
- Reductions in DTC digital spend by our buyers;
- Our dependence on supply partners for the generation of a majority of our Consumer Referrals;
- Our dependence on internet search companies to direct a significant portion of visitors to our suppliers' websites and our proprietary websites;
- The novel strain of the coronavirus and the disease it causes (COVID-19);
- Our existing and future indebtedness;
- Disruption to operations as a result of future acquisitions;
- Failure to obtain, maintain, protect and enforce our intellectual property rights, proprietary systems, technology and brand;
- Our ability to develop new offerings and penetrate new vertical markets;

- Our ability to manage future growth effectively;
- Our reliance on data provided to us by our demand and supply partners and consumers;
- Natural disasters, public health crises, political crises, economic downturns, or other unexpected events;
- Significant estimates and assumptions in the preparation of our financial statements;
- Potential litigation and claims, including IP disputes;
- Our ability to collect our receivables from our partners;
- Developments with respect to LIBOR;
- Fluctuations in our financial results caused by seasonality;
- The development of the DTC insurance distribution sector and evolving nature of our relatively new business model;
- Disruptions to or failures of our technological infrastructure and platform;
- Failure to manage and maintain relationships with third-party service providers;
- Cybersecurity breaches or other attacks involving our systems or those of our partners or third-party service providers;
- Our ability to protect consumer information and other data and risks of reputational harm due to an actual or perceived failure by us to protect such information and other data;
- Risks related to being a public company;
- Risks related to our common stock and this offering;
- Risks related to our intention to take advantage of certain exemptions as a “controlled company” under the rules of the NYSE, and the fact that the interests of our controlling stockholders (White Mountains, Insignia, and the Founders) may conflict with those of other investors;
- Risks related to our corporate structure; and
- The other risk factors described under “Risk factors.”

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this prospectus. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Organizational structure

Overview

MediaAlpha, Inc. was incorporated as a Delaware corporation on July 9, 2020. In connection with the completion of the IPO, we completed a reorganization (the “IPO reorganization”), pursuant to which we amended and restated our certificate of incorporation to, among other things, authorize two classes of common stock, Class A common stock and Class B common stock, each having the terms described under “Description of capital stock,” and consummated the other reorganization transactions described below. In addition, pursuant to the IPO reorganization, we issued shares of our Class B common stock to Insignia and the Senior Executives. Insignia and the Senior Executives directly or indirectly own the Class B-1 units of QL Holdings LLC. Shares of our Class B common stock vote together with shares of our Class A common stock as a single class, except as otherwise required by law or pursuant to our amended and restated certificate of incorporation or amended and restated bylaws. See “Description of capital stock—Class B common stock.” After completion of this offering, White Mountains, Insignia, and the Senior Executives (who were the direct and indirect investors of QL Holdings LLC prior to the IPO) will beneficially own 66.5% in the aggregate of our outstanding Class A common stock and Class B common stock on a combined basis (assuming no exercise of the over-allotment option by the underwriters). As described in more detail below, each Class B-1 unit of QL Holdings LLC can be exchanged (together with one share of our Class B common stock) for one share of our Class A common stock (or, at our election, cash of an equivalent value) and is otherwise non-transferrable.

There will be 37,692,626 shares of our Class A common stock outstanding after this offering. These shares will represent 100% of the economic rights of the holders of all classes of our capital stock and a 63.5% indirect economic interest in QL Holdings LLC.

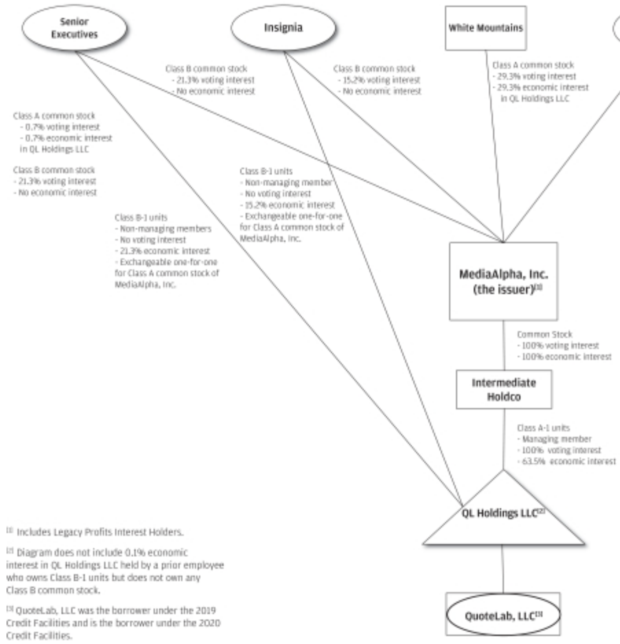
IPO Reorganization Transactions

MediaAlpha, Inc. was formed for purposes of the IPO and had, prior to the consummation of the IPO, engaged only in activities in contemplation of the IPO. Historically, our business has been operated through QL Holdings LLC, together with its subsidiaries, all of the equity ownership interests of which were directly or indirectly held by White Mountains (through its wholly owned subsidiary Intermediate Holdco), Insignia, the Senior Executives and the Legacy Profits Interest Holders prior to the completion of the IPO. None of these owners consolidated QL Holdings LLC immediately prior to the IPO reorganization.

Prior to the IPO, QuoteLab, LLC entered into the 2020 Term Loan Facility, a portion of the proceeds of which were distributed to QL Holdings LLC, which in turn distributed such 2020 Term Loan Facility proceeds to members of QL Holdings LLC (such distribution to the QL Holdings LLC members the “Pre-IPO Leveraged Distribution”). Additionally, prior to the IPO, White Mountains caused Intermediate Holdco to distribute or otherwise dispose of all of its assets other than the Class A-1 units of QL Holdings LLC held directly by Intermediate Holdco and certain deferred tax assets and liabilities, and thereafter, MediaAlpha, Inc., QL Holdings LLC, White Mountains, Intermediate Holdco, the Legacy Profits Interest Holders and the other members of QL Holdings LLC consummated a series of reorganization transactions set forth in the reorganization agreement. Pursuant to the reorganization agreement, White Mountains contributed all of the outstanding capital stock of Intermediate Holdco to MediaAlpha, Inc. in exchange for shares of our Class A common stock and the right to certain payments under the tax receivables agreement, such that Intermediate Holdco became a wholly owned subsidiary of MediaAlpha, Inc. Also pursuant to the reorganization agreement, the limited liability company agreement of QL Holdings LLC was amended and restated to, among other things, convert all of the equity interests held by Intermediate Holdco into Class A-1 units of QL Holdings LLC and convert all of the equity interests held by Insignia, the Senior Executives, and the Legacy Profits Interest Holders into Class B-1 units of QL Holdings LLC. The Legacy Profits Interest Holders contributed a portion of the Class B-1 units of QL Holdings LLC they held to MediaAlpha, Inc. in exchange for shares of Class A common stock of MediaAlpha, Inc., and MediaAlpha, Inc. then contributed these Class B-1 units to Intermediate Holdco. Insignia and the Senior Executives contributed a certain amount of cash to MediaAlpha, Inc. in exchange for shares of our Class B common stock. Certain Class B-1 units of QL Holdings LLC held by the Selling Class B-1 Unit Holders were purchased by the Company (through Intermediate Holdco) immediately after the IPO, with proceeds from the IPO, to provide liquidity to such Selling Class B-1 Unit Holders. MediaAlpha, Inc. is a holding company and its sole material asset is all of the shares of its wholly owned subsidiary, Intermediate Holdco, which in turn owns all of the Class A-1 units of QL Holdings LLC, deferred tax assets and liabilities primarily related to Intermediate Holdco's historical net operating loss carryforwards attributable to periods prior to the IPO, and an indemnity from White Mountains with respect to any pre-IPO liabilities of Intermediate Holdco.

Organizational structure

The diagram below shows our organizational structure immediately after the completion of the offering described herein (assuming no exercise by the underwriters of their option to purchase additional shares).



White Mountains and our public stockholders will indirectly own 29.3% and 33.5%, respectively, of the economic interests in QL Holdings LLC through MediaAlpha, Inc. and Intermediate Holdco (or 28.5% and 35.2%, respectively, if the underwriters exercise their option to purchase additional shares of Class A common stock in full). Insignia will directly own 15.2% of the economic interests in QL Holdings LLC (or 14.8% if the underwriters exercise their option to purchase additional shares of Class A common stock in full), and the Senior Executives will directly or indirectly own 22.0% of the economic interests in QL Holdings LLC (or 21.4% if the underwriters exercise their option to purchase additional shares of Class A common stock in full).

Holding company structure

Our only business is acting as the sole stockholder of Intermediate Holdco and, through Intermediate Holdco, acting as sole managing member of QL Holdings LLC. We operate and control all of our businesses and affairs through Intermediate Holdco and QL Holdings LLC (and its subsidiaries). In connection with the IPO reorganization, QL Holdings LLC's limited liability company agreement was amended and restated to, among other things, establish two classes of equity: Class A-1 units indirectly held by us and Class B-1 units held only by persons or entities we permit which, immediately following the IPO, included Insignia and the Senior Executives. The financial results of Intermediate Holdco and QL Holdings LLC are consolidated in our financial statements.

Our organizational structure allows the Senior Executives and Insignia to retain their equity ownership (either directly or indirectly) in QL Holdings LLC, an entity that is classified as a partnership for U.S. federal income tax purposes, in the form of Class B-1 units. The investors participating in this offering will, by contrast, hold equity in MediaAlpha, Inc., a Delaware corporation that is a domestic corporation for U.S. federal income tax purposes, in the form of shares of our Class A common stock. Additionally, because the Senior Executives and Insignia may exchange their Class B-1 units of QL Holdings LLC (together with the corresponding shares of our Class B common stock) for shares of our Class A common stock (or, at our election, cash of an equivalent value), our structure provides the Senior Executives and Insignia with potential liquidity that holders of non-publicly traded limited liability companies are not typically afforded.

Fourth amended and restated limited liability company agreement of QL Holdings LLC

We operate our business through QL Holdings LLC, together with its subsidiaries. The operations of QL Holdings LLC, and the rights and obligations of its members, are governed by the fourth amended and restated limited liability company agreement of QL Holdings LLC. The following is a description of the material terms of the fourth amended and restated limited liability company agreement.

Governance

Through our wholly owned subsidiary, Intermediate Holdco, we serve as sole managing member of QL Holdings LLC. As such, we control its business and affairs and are responsible for the management of its business. No other members of QL Holdings LLC, in their capacity as such, have any authority or right to control the management of QL Holdings LLC or to bind it in connection with any matter.

Voting and economic rights of members

QL Holdings LLC has two classes of outstanding equity: Class A-1 units, which may only be issued to our wholly owned subsidiary, Intermediate Holdco, as sole managing member, and Class B-1 units. We refer to these Class A-1 units and Class B-1 units of QL Holdings LLC, collectively, as QL units. Insignia and the Senior Executives hold Class B-1 Units. The Class A-1 units and Class B-1 units entitle their holders to equivalent economic rights, meaning an equal share in the profits and losses of, and distributions from, QL Holdings LLC. Holders of Class B-1 units have no voting rights as it pertains to QL Holdings LLC, except for the right to approve certain amendments to the fourth amended and restated limited liability company agreement.

Net profits and losses of QL Holdings LLC generally will be allocated, and distributions will be made, to its members *pro rata* in accordance with the number of QL units (Class A or Class B, as the case may be) they hold. Accordingly, after giving effect to this offering, net profits and net losses of QL Holdings LLC will initially be allocated, and distributions will be made, approximately 63.5% to us and approximately 36.5% to the holders of Class B-1 units (or 64.4% and 35.6%, respectively, if the underwriters exercise their option to purchase additional shares in full).

Subject to the availability of net cash flow at the QL Holdings LLC level and to applicable legal and contractual restrictions, we intend to cause QL Holdings LLC to distribute to Intermediate Holdco cash payments (and, if applicable, cause Intermediate Holdco to declare and pay a dividend to us in the same amount) for the purposes of funding tax obligations in respect of any net taxable income that is allocated to us as a member of QL Holdings LLC, to fund dividends, if any, declared by us and to make any payments due under the tax receivables agreement, as described below. See "—Tax consequences." QL Holdings LLC will be required to make *pro rata* distributions to each other member of QL Holdings LLC, as and when QL Holdings LLC makes any distribution to Intermediate Holdco. Regardless of whether QL Holdings LLC makes distributions to its members in any given year, the determination to pay dividends, if any, to holders of our Class A common stock will be made by our board of directors. We do not, however, expect to declare or pay any cash or other dividends in the foreseeable future on our Class A common stock, as we intend to reinvest any cash flow generated by operations in our business. Class B common stock will not be entitled to any dividend payments.

Coordination of MediaAlpha, Inc. and QL Holdings LLC

Whenever we issue one share of Class A common stock for cash, the net proceeds will be promptly contributed to Intermediate Holdco and then in turn to QL Holdings LLC, in exchange for one Class A-1 unit of QL Holdings LLC. Alternatively, from time to time, we may, at our election, transfer the net proceeds of the issuance of shares of Class A common stock to a holder of Class B-1 units of QL Holdings LLC in exchange for their Class B-1 unit and a share of our Class B common stock in order to satisfy our obligations under the exchange agreement (in lieu of issuing a share of Class A common stock to such exchanging Class B-1 unitholder). However, the Class B-1 unitholders cannot require us to pay cash for their Class B-1 units under the exchange agreement. In the event we elect to pay cash for a Class B-1 unit, QL Holdings LLC will cancel such exchanged Class B-1 unit and issue to Intermediate Holdco one Class A-1 unit. If we issue other classes or series of equity securities, we will contribute to Intermediate Holdco, and then in turn to QL Holdings LLC, the net proceeds we receive in connection with such issuance, and QL Holdings LLC will issue to Intermediate Holdco an equal number of equity securities with designations, preferences and other rights and terms that are substantially the same as our newly issued equity securities. Conversely, if we repurchase any shares of Class A common stock (or equity securities of other classes or series) for cash, QL Holdings LLC will, immediately prior to our repurchase, redeem an equal number of Class A-1 units (or its equity securities of the corresponding classes or series), upon the same terms and for the same price, as the shares of our Class A common stock (or our equity securities of such other classes or series) that are repurchased. Common units and shares of our common stock will be subject to equivalent stock splits, dividends and reclassifications.

We do not conduct any business other than the management and ownership of QL Holdings LLC through our wholly owned subsidiary, Intermediate Holdco, or own any other material assets (other than on a temporary basis), although we may take such actions and own such assets as are necessary to comply with applicable law, including compliance with our responsibilities as a public company under the U.S. federal securities laws, and may incur indebtedness and take other actions if we determine that doing so is in our best interest.

Issuances of Class A-1 and Class B-1 units

Class A-1 units may be issued only to our wholly owned subsidiary, Intermediate Holdco, as sole managing member of QL Holdings LLC. Class B-1 units may be issued only to persons or entities we permit, which immediately following the completion of the IPO, included Insignia and the Senior Executives. Such issuances shall be made in exchange for cash or other consideration. Class B-1 units may not be transferred as Class B-1 units except to certain permitted transferees and in accordance with the restrictions on transfer set forth in the fourth amended and restated limited liability company agreement of QL Holdings LLC. Any such transfer must be accompanied by the transfer of an equal number of shares of our Class B common stock.

Exchange agreement

Immediately prior to the completion of the IPO, we entered into the exchange agreement with Insignia and the Senior Executives, which each hold Class B-1 units. Pursuant to and subject to the terms of the exchange agreement and the fourth amended and restated limited liability company agreement of QL Holdings LLC, holders of Class B-1 units, from time to time, may exchange one Class B-1 unit, together with the corresponding share of our Class B common stock, for one share of our Class A common stock (or, at our election, cash of an equivalent value).

Exchanges pursuant to the exchange agreement may be completed, unless otherwise directed by the holder of Class B-1 units, at the election of QL Holdings LLC, by us, Intermediate Holdco, or QL Holdings LLC. If Intermediate Holdco completes such exchange, we will contribute Class A common stock to Intermediate Holdco prior to the exchange. If QL Holdings completes such exchange, we will contribute Class A common stock to Intermediate Holdco and then in turn to QL Holdings LLC prior to the exchange. The amount of Class A common stock issued or conveyed will be subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications and other similar transactions.

Holders will not have the right to exchange Class B**-1** units if we determine that such exchange would be prohibited by applicable law or regulation or would violate other agreements to which we may be subject or would pose a material risk that QL Holdings LLC would be treated as a "publicly traded partnership" for U.S. federal income tax purposes. If the IRS were to contend successfully that QL Holdings LLC should be treated as a "publicly traded partnership" for U.S. federal income tax purposes, QL Holdings LLC would be treated as a corporation for U.S. federal income tax purposes and thus would be subject to entity-level tax on its taxable income.

A holder that exchanges Class B-1 units will also be required to deliver an equal number of shares of our Class B common stock. In connection with each exchange, QL Holdings LLC will cancel the delivered Class B-1 units and (unless, at our election, cash of an equivalent value is delivered in lieu of Class A common stock) issue Class A-1 units to Intermediate Holdco on a one-for-one basis. Thus, as holders exchange their Class B-1 units for Class A common stock or cash, our indirect interest in QL Holdings LLC will increase.

We and the exchanging holder will each generally bear our own expenses in connection with an exchange, except that, subject to a limited exception, we are required to pay any transfer taxes, stamp taxes or duties or other similar taxes in connection with such an exchange.

We have reserved for issuance 25,571,996 shares of our Class A common stock for potential exchange in the future for Class B-1 units, which is the aggregate number of Class B common stock outstanding after completion of the IPO reorganization and the IPO. Prior to the completion of this offering, we expect Insignia and any Senior Executive named herein as a selling stockholder to exchange 3,877,540 Class B-1 units for an equivalent number of shares of Class A common stock (or 4,457,796 if the underwriters' option to purchase additional shares is exercised in full).

Exculpation and indemnification

The fourth amended and restated limited liability company agreement of QL Holdings LLC contains provisions limiting the liability of QL Holdings LLC's members (including Intermediate Holdco, our wholly owned subsidiary), officers and their respective affiliates to QL Holdings LLC or any of its members. Moreover, the fourth amended and restated limited liability company agreement contains broad indemnification provisions for QL Holdings LLC's members (including Intermediate Holdco, our wholly owned subsidiary), officers and their respective affiliates. Because QL Holdings LLC is a limited liability company, these provisions are not subject to the limitations on exculpation and indemnification contained in the DGCL with respect to the indemnification that may be provided by a Delaware corporation to its directors and officers.

Voting rights of Class A stockholders and Class B stockholders

Each share of our Class A common stock or our Class B common stock will entitle its holder to one vote. Immediately after this offering, our Class B stockholders will collectively hold approximately 36.5% of the total voting power of our common stock (or 35.5% if the underwriters exercise their option to purchase additional shares in full).

Tax consequences

QL Holdings LLC unitholders, including us (indirectly through Intermediate Holdco), generally incur U.S. federal, state and local income taxes on their allocable shares of any net taxable income of QL Holdings LLC. The fourth amended and restated limited liability company agreement of QL Holdings LLC provides for *pro rata* cash distributions to its members to cover (i) our U.S. federal, state and local tax obligations in respect of our allocable share of QL Holdings LLC's taxable income and (ii) our obligations under the tax receivables agreement. In addition, the fourth amended and restated limited liability company agreement of QL Holdings LLC also provides for (in certain cases) tax distributions for a fiscal quarter to its other members in respect of their pre-exchange allocable share of QL Holdings LLC's taxable income for such fiscal quarter relating to Class B-1 Units (if any) transferred to us by them (pursuant to the exchange agreement) before the applicable tax distribution date.

QL Holdings LLC intends that an election under Section 754 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), will be effective for 2020 and future taxable years. We expect that, as a result of this election, our purchase (through Intermediate Holdco) of Class B-1 units of QL Holdings LLC in connection with the IPO, as well as any post-IPO exchanges (including in connection with this offering) of Class B-1 units of QL Holdings LLC, together with an equal number of shares of our Class B common stock, for shares of our Class A common stock (or, at our election, cash of an equivalent value), will increase our share of the tax basis of the tangible and intangible assets of QL Holdings LLC, which will increase the tax depreciation and amortization deductions available to us and could create other tax benefits. This existing and increased tax basis may also decrease gain (or increase loss) on future dispositions of certain assets to the extent tax basis is allocated to those assets.

Any such deductions or other tax benefits (including additional tax benefits created as a result of payments under the tax receivables agreement itself) could reduce the amount of cash taxes that we would otherwise be required to pay in the future. We will be required to pay 85% of such cash tax reduction, if any, to the tax receivables agreement's counterparties. To the extent that we are unable to make payments under the tax receivables agreement for any reason, such payments will be deferred and will accrue interest until paid. See "—Tax receivables agreement."

Tax receivables agreement

We expect to obtain an increase in our share of the tax basis of the tangible and intangible assets of QL Holdings LLC as a result of (i) our purchase (through Intermediate Holdco) of Class B-1 units of QL Holdings LLC units from certain unitholders (including the Selling Class B-1 Unit Holders) in connection with the IPO, (ii) certain post-IPO exchanges (including in connection with this offering) of Class B-1 units of QL Holdings LLC, together with an equal number of shares of our Class B common stock, for shares of our Class A common stock (or, at our election, cash of an equivalent value), and (iii) the Pre-IPO Leveraged Distribution and other actual or deemed distributions by QL Holdings LLC to its members. These increases in tax basis are expected to increase (for tax purposes) our depreciation and amortization deductions and create other tax benefits and therefore may reduce the amount of cash taxes that we would otherwise be required to pay in the future. This existing and increased tax basis may also decrease gain (or increase loss) on future dispositions of certain assets to the extent tax basis is allocated to those assets. We expect to treat any such exchanges of Class B-1 units of QL Holdings LLC as our direct purchases of Class B-1 units from holders of Class B-1 units for U.S. federal income and other applicable tax purposes, regardless of whether such Class B-1 units are surrendered by such holders to QL Holdings LLC or to us directly in the exchange. See "—Fourth amended and restated limited liability company agreement of QL Holdings LLC—Tax consequences."

In connection with the IPO, we entered into the tax receivables agreement with Insignia, the Senior Executives, and White Mountains related to the tax basis step-up of the assets of QL Holdings LLC and certain net operating losses of Intermediate Holdco. The agreement requires us to pay Insignia and the Senior Executives 85% of the cash savings, if any, in U.S. federal, state and local income tax we realize (or are deemed to realize) as a result of (i) any increases in tax basis following our purchase (through Intermediate Holdco) of Class B-1 units of QL Holdings LLC from certain unitholders (including the Selling Class B-1 Unit Holders) in connection with the IPO, as well as any post-IPO exchanges (including in connection with this offering) described above, (ii) the Pre-IPO Leveraged Distribution and other actual or deemed distributions by QL Holdings LLC to its members that result in tax basis adjustments to the assets of QL Holdings LLC, and (iii) certain other tax benefits attributable to payments under the tax receivables agreement itself.

The tax receivables agreement also requires us to pay White Mountains 85% of the amount of the cash savings, if any, in U.S. federal, state and local income tax that we realize (or are deemed to realize) as a result of the utilization of the net operating losses of Intermediate Holdco attributable to periods prior to the IPO and the deduction of any imputed interest attributable to our payment obligations under the tax receivables agreement. We currently estimate that the amount of any such net operating losses is immaterial.

The obligations under the tax receivables agreement are our obligations and not obligations of QL Holdings LLC. We will benefit from the remaining 15% of any realized (or deemed to be realized) cash tax savings. For purposes of the tax receivables agreement, cash savings in income tax will be computed by comparing our actual income tax liability with our hypothetical liability had we not been able to use the tax benefits subject to the applicable tax receivables agreement. The tax receivables agreement will remain in effect until all such tax benefits have been used or expired, unless the agreement is terminated early, as described below.

The actual increase in tax basis, as well as the amount and timing of any payments under the tax receivables agreement, will vary depending on a number of factors, including:

- the fair market value of the depreciable and amortizable assets of QL Holdings LLC and the price of our Class A common stock at the time of this offering and at the time of the exchange of Class B-1 units of QL Holdings LLC;
- the extent to which such exchange of Class B-1 units of QL Holdings LLC is taxable—if an exchange is not taxable for any reason, increased tax deductions will not be available;
- the tax rates in effect at the time we use the increased amortization and depreciation deductions or realize other tax benefits; and
- the amount, character and timing of our taxable income.

We are required under the tax receivables agreement to pay 85% of the cash tax savings, described above, if any, as they are realized (or are deemed to be realized). Except in certain circumstances, if in a given taxable year we do not have taxable income before taking into account any tax benefits subject to the tax receivables agreement, we will not be required to make payments under the tax receivables agreement for that taxable year because no tax savings will have been realized (or are deemed to be realized).

The payments that we make under the tax receivables agreement could be substantial. Assuming no material changes in relevant tax law and based on our current operating plan and other assumptions, including our estimate of the tax basis of our assets as of October 27, 2020, if all of the Class B-1 units of QL Holdings LLC were acquired by us in taxable transactions on December 31, 2020 for a price of $39.07 (which is the last reported sale price of our Class A common stock as of December 31, 2021 on the NYSE) per Class B-1 unit of QL Holdings LLC, we estimate that the amount that we would be required to pay under the tax receivables agreement could be approximately $293 million. The actual amount we will be required to pay under the tax receivables agreement may be materially greater than this hypothetical amount, as potential future payments will vary depending on a number of factors, including those listed above. There may be a material negative effect on our liquidity if, as a result of timing discrepancies or otherwise, the payments under the tax receivables agreement exceed the actual cash tax benefits that we realize in respect of the tax attributes subject to the tax receivables agreement or distributions to us by QL Holdings LLC are not sufficient to permit us to make payments under the tax receivables agreement after it has paid taxes. Payments under the tax receivables agreement are not conditioned on Insignia's, the Senior Executives', or White Mountains' continued ownership of any of our equity.

Payments under the tax receivables agreement are generally due within a specified period of time following the filing of our tax return for the taxable year with respect to which the payment obligation arises, but interest on such payments will begin to accrue at a rate of LIBOR plus 100 basis points from the due date (without extensions) of such tax return. Late payments will generally accrue interest at a rate of LIBOR plus 500 basis points.

The tax receivables agreement provides that upon certain changes of control, or if, at any time, we elect an early termination of the tax receivables agreement or are in material breach of our obligations under the tax receivables agreement, we would be required to make immediate payments to the tax receivables agreement's counterparties equal to the present value of the anticipated future tax benefits. Such payment would be based on certain valuation assumptions and deemed events set forth in the tax receivables agreement, including the assumptions that we have sufficient taxable income to fully use such tax benefits. The benefits would be payable even though, in certain circumstances, no Class B-1 units of QL Holdings LLC have actually been exchanged and no net operating losses are actually used at the time of the accelerated payments. Accordingly, payments under the tax receivables agreement may be made years in advance of the actual realization, if any, of the anticipated tax benefits and may be significantly greater than the benefits we eventually realize.

Although we are not aware of any issue that would cause the IRS or other relevant tax authorities to challenge potential tax basis increases or other tax benefits covered by the tax receivables agreement, were the IRS to successfully challenge the tax basis increases, we would not be reimbursed for any payments previously made under the tax receivables agreement, but future payments under the tax receivables agreement, if any, would be netted against any unreimbursed payments to reflect the result of any such successful challenge by the IRS. As a result, we could make payments under the tax receivables agreement in excess of the actual cash tax savings we ultimately realize. We might not determine whether we have effectively made such excess cash payments for a number of years following the time of such payments.

Registration rights agreement

In connection with the IPO, we entered into the registration rights agreement with certain of our pre-IPO existing investors, including White Mountains, Insignia, and the Senior Executives, to register for sale under the Securities Act of 1933, as amended ("Securities Act"), shares of our Class A common stock, including those delivered in exchange for Class B-1 units of QL Holdings LLC in the circumstances described above. Subject to certain conditions and limitations, this agreement provides White Mountains, Insignia, and the Senior

Executives with certain registration rights as described below. An aggregate of 46,468,979 shares of Class A common stock, including shares reserved for potential exchanges of Class B-1 units, are entitled to these registration rights.

Demand registration rights

Each of Insignia and the Founders (treating the Founders, collectively, as a single stockholder for this purpose) have the right to demand that we file up to two registration statements on Form S-1 and White Mountains has the right to demand that we file up to four registration statements on Form S-1. These registration rights are subject to specified conditions and limitations, including limitations on the number of shares included in any such registration under specified circumstances. Upon such a request, we will be required to use reasonable best efforts to effect the registration within 60 days.

Shelf registration rights

At any time after we become eligible to file a registration statement on Form S-3, White Mountains, Insignia, and the Senior Executives will be entitled to have their shares of Class A common stock registered by us on a Form S-3 registration statement at our expense. These shelf registration rights are subject to specified conditions and limitations.

Piggyback registration rights

If we propose to register any shares of our equity securities under the Securities Act either for our own account or for the account of any other person, then White Mountains, Insignia, and the Senior Executives will be entitled to notice of the registration and will be entitled to include their shares of Class A common stock in the registration statement. These piggyback registration rights are subject to specified conditions and limitations, including the right of the underwriters, if any, to limit the number of shares included in any such registration under specified circumstances.

Expenses and indemnification

We will pay all expenses relating to any demand, piggyback, or shelf registration, other than underwriting discounts and commissions and any transfer taxes, subject to specified conditions and limitations. The registration rights agreement will include customary indemnification provisions, including indemnification of the participating holders of shares of Class A common stock and their directors, officers, and employees by us for any losses, claims, damages, or liabilities in respect thereof and expenses to which such holders may become subject under the Securities Act, state law, or otherwise.

Termination of registration rights

The registration rights granted under the registration rights agreement will terminate upon the date the holders of shares that are a party thereto no longer hold any such shares that are entitled to registration rights.

Stockholders' agreement

In connection with the IPO, we entered into the stockholders' agreement with White Mountains, Insignia, and the Founders. The stockholders' agreement, as further described below, contains provisions related to the composition of our board of directors, the committees of our board of directors, and our corporate governance. Under the stockholders' agreement, White Mountains, Insignia and the Founders are entitled to nominate a majority of the members of our board of directors. In addition, White Mountains, Insignia, and the Founders have agreed in the stockholders' agreement to vote for each other's board nominees.

Director ***designation and voting agreement***

Under the stockholders' agreement, White Mountains, Insignia, and the Founders are entitled to nominate a majority of the members of our board of directors. Specifically, for so long as each of White Mountains, Insignia, and the Founders (treating the Founders, collectively, as a single stockholder for this purpose) owns at least 12.5% of our issued and outstanding shares of common stock as of the closing of this offering, such stockholder will be entitled to nominate two directors to serve on our Board of Directors. When such stockholder owns less than 12.5% but at least 5% of our issued and outstanding shares of common stock as of the closing of this offering, such stockholder will be entitled to nominate one director. White Mountains, Insignia, and the Founders have agreed in the stockholders' agreement to vote for each other's board nominees.

Consent ***rights*** *of White Mountains, Insignia****, and the Founders***

Under the stockholders' agreement and subject to our amended and restated certificate of incorporation, our amended and restated bylaws, and applicable law, the actions listed below cannot be taken by us or any of our subsidiaries without the written consent of a majority in interest of White Mountains, Insignia, and the Founders, for so long as such stockholders continue to own at least a majority of the issued and outstanding shares of common stock after the completion of this offering. The actions include:

- change in control transactions;
- acquiring or disposing of assets or entering into joint ventures with a value in excess of $20 million;
- incurring indebtedness in an aggregate principal amount in excess of $20 million;
- authorizing or issuing equity securities of MediaAlpha, Inc. or our subsidiaries other than pursuant to any approved equity incentive plans or arrangements or pursuant to the exchange agreement;
- initiating any liquidation, dissolution, bankruptcy, or other insolvency proceeding involving us or any of our significant subsidiaries;
- making any material change in the nature of the business conducted by us or our subsidiaries;
- terminating the employment of our Chief Executive Officer or hiring a new Chief Executive Officer (provided that consent of the Founders shall not be required for the termination of any Founder);
- engaging in certain transactions with affiliates (provided that the consent of the interested stockholder would not be required);
- increasing or decreasing the size of the Board of Directors;
- authorizing Intermediate Holdco, as managing member of QL Holdings LLC, to approve or take certain actions; and
- electing to deliver cash consideration in connection with an exchange under the exchange agreement (provided that the consent of the interested stockholder would not be required).

Transfer ***restrictions***

Under the stockholders' agreement, each of White Mountains, Insignia, and the Founders have agreed, from the expiration of the lock-up period under the lock-up agreements until the one-year anniversary of the completion of the IPO, to coordinate any sale of their respective shares of common stock, which in any event shall provide for sales on a pro rata basis by all such stockholders that elect to participate in any sale.

Other ***provisions***

The stockholders' agreement provides that each of White Mountains, Insignia, and the Founders and their respective affiliates will not have any duty to refrain from (1) engaging, directly or indirectly, in the same or similar business activities or lines of business as us, including those business activities or lines of business deemed to be competing with us, or (2) doing business with any of our clients, customers, or vendors. In the event that White Mountains, Insignia, or the Founders or any of their respective affiliates acquires knowledge of a potential business opportunity which may be a corporate opportunity of us, they will have no duty to communicate or offer such corporate opportunity to us. See "Description of capital stock—Corporate opportunity."

In addition, the stockholders' agreement prohibits certain business combination transactions in which our Class A common stock is exchanged for consideration unless each holder of shares of Class A common stock or Class B common stock is allowed to participate equally in the transaction as if the Class B common stock, together with an equivalent number of Class B units, had been exchanged for shares of Class A common stock pursuant to the exchange agreement immediately prior to the transaction.

Use of proceeds

We are not offering any shares of Class A common stock for sale under this prospectus and will not receive any cash proceeds from the issuance of Class A common stock registered hereunder, but we will receive a number of Class B-1 units, together with the corresponding shares of our Class B common stock, equal to the number of shares of Class A common stock issued upon exchange of Class B-1 units and Class B common stock.

Dividend policy

We do not anticipate declaring or paying any cash dividends on our Class A common stock in the foreseeable future. Any future determination to declare and pay cash dividends, if any, will be made at the discretion of our Board of Directors and will depend on a variety of factors, including applicable laws, our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, general business or financial market conditions, and other factors our Board of Directors may deem relevant. In addition, the 2020 Credit Agreement contains covenants that restrict QuoteLab, LLC's and, in turn, our ability to pay cash dividends, subject to certain exceptions. Investors should not purchase our Class A common stock with the expectation of receiving cash dividends.

Our Class B common stock is not entitled to any dividend payments.

Capitalization

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2020:

- MediaAlpha, Inc. on a historical basis;
- MediaAlpha, Inc. on a pro forma as adjusted basis to give effect to issuance and sale by the selling stockholders of shares of Class A common stock in this offering at an offering price of per share, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read the following table in conjunction with our consolidated financial statements and the related notes appearing at the end of this prospectus and the sections of the prospectus titled "Organizational structure," "Unaudited pro forma consolidated financial information," "Management's discussion and analysis of financial condition and results of operations," and "Description of capital stock."

	As of December 31, 2020	
(in thousands, except share and per share data)	**MediaAlpha, Inc.**	**MediaAlpha, Inc. pro forma as adjusted**
Cash and cash equivalents	$ 23,554	$ 23,554
Liabilities under tax receivable agreement	22,498	83,786
Long-term debt, including current portion	182,668	182,668
Members'/stockholders' (deficit) equity:		
Class A common stock, par value $.01 per share; 1.0 billion shares authorized, 33.4 million issued and outstanding, actual as of December 31, 2020; 1.0 billion shares authorized, 37.3 million shares issued and outstanding, pro forma as adjusted	334	373
Class B common stock, par value $.01 per share; 100 million shares authorized, 25.5 million issued and outstanding, actual as of December 31, 2020; 100 million shares authorized, 21.6 million shares issued and outstanding, pro forma as adjusted	255	216
Preferred stock, $0.01 par value - 50 million shares authorized; 0 shares issued and outstanding as of December 31, 2020	0	0
Additional paid-in capital	384,611	385,096
Accumulated deficit	(418,973)	(419,023)
Members'/stockholders' (deficit) equity attributable to member/stockholders	$ (33,773)	$ (33,338)
Non-controlling interest	(71,345)	(61,147)
Total members'/stockholders' (deficit) equity	$ (105,118)	$ (94,485)
Total capitalization	58,907,099	58,907,099

The foregoing table does not give effect to the following:

- 21,658,503 shares of Class A common stock that are issuable upon exchanges of Class B-1 units of QL Holdings LLC (together with an equal number of shares of our Class B common stock) that will be outstanding immediately after the completion of this offering;
- 5,482,876 shares of Class A common stock issuable upon the vesting of outstanding equity awards; and
- 6,793,630 shares of Class A common stock reserved for issuance under our Omnibus Incentive Plan (see "Executive compensation—2020 Omnibus incentive plan").

Except as otherwise noted, all information in this prospectus assumes no exercise by the underwriters of their option to purchase additional shares.

Unaudited pro forma consolidated statement of operations

The unaudited pro forma consolidated statement of operations for the year ended December 31, 2020 presents the consolidated results of operations of MediaAlpha, Inc. after giving pro forma effect to the Debt financing, IPO reorganization and the IPO as described under "Organizational structure" and as further adjusted for the Class B-1 unit exchange that is occurring as part of this offering as if such transactions had occurred on January 1, 2020.

In giving pro forma effect to the Debt Financing (as defined below), IPO reorganization, the IPO and this offering, as if each transaction occurred on January 1, 2020, the Company has utilized the Class A-1 unit and Class B-1 unit ownership percentages immediately following this offering for the purposes of allocating income to the non-controlling interests. The non-controlling interests represent the Class B-1 units in QL Holdings LLC that are held by pre-existing equity holders of QL Holdings LLC. The Company has assumed that the Class A-1 and Class B-1 ownership percentages post this offering are 63.2% and 36.8%, respectively.

No pro forma balance sheet as of December 31, 2020 is necessary to reflect the IPO reorganization and the IPO transactions as these transactions are fully reflected in MediaAlpha's historical consolidated balance sheet as of December 31, 2020. The effects of this offering on MediaAlpha's December 31, 2020 historical balance sheet are presented in the "Capitalization" section of this prospectus.

The pro forma adjustments are based on available information and reasonable in order to reflect, on a pro forma basis, the impact of the Debt financing, IPO reorganization and the IPO, as further adjusted for this offering, on the historical financial information of MediaAlpha, Inc. See Note 2 of the notes to the unaudited pro forma consolidated statement of operations for further discussion of the impact of the reorganization on a pro forma basis.

Following the IPO, QL Holdings LLC became the predecessor of the Company for financial reporting purposes. The unaudited pro forma consolidated statement of operations reflects the manner in which the Company accounted for the offering reorganization, which has been reflected on a basis consistent with a combination of entities under common control. The pro forma adjustments presented herein are based upon available information and methodologies that are (i) directly attributable to the Debt financing, IPO reorganization, the IPO and this offering (ii) factually supportable, and (iii) with respect to the statement of operations, expected to have a continuing impact on the operating results of the consolidated company. The Company accounts for the offering reorganization as a common control transaction based on, among other things, the high degree of common ownership among the pre-offering equity holders after the offering reorganization. Accordingly, the Company determined that the offering reorganization should be recorded at carryover basis. The actual adjustments to our consolidated financial statements arising from this offering will depend on a number of factors, including additional information available on the closing date. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material.

The unaudited pro forma consolidated statement of operations is included for informational purposes only and does not purport to reflect our results of operations or financial position that would have occurred had we operated as a public company during the period presented. The unaudited pro forma consolidated statement of operations should not be relied upon as being indicative of our results of operations had the Debt financing, IPO reorganization, the IPO and this offering as described under "Organizational structure" and "Use of proceeds" on the dates assumed. The unaudited pro forma consolidated statement of operations also does not project our results of operations for any future period or date.

The unaudited pro forma consolidated statement of operations presented assumes no exercise by the underwriters of their option to purchase additional shares of Class A common stock in this offering.

As described in greater detail under "Organizational structure—Tax receivables agreement," in connection with the IPO, we entered into the tax receivables agreement with Insignia, the Senior Executives, and White Mountains, pursuant to which we agreed to pay Insignia and the Senior Executives 85% of the cash savings, if any, in U.S. federal, state, and local income tax that we realize (or are deemed to realize) as a result of (i) any increases in tax basis following our purchase (through Intermediate Holdco) of Class B-1 units of QL Holdings LLC from certain unitholders (including the Selling Class B-1 Unit Holders) in connection with the IPO, as well as any post-IPO exchanges (including in connection with this offering) described above, (ii) the Pre-Offering Leveraged Distribution and actual or deemed other distributions by QL Holdings LLC to its members that result in tax basis adjustments to the assets of QL Holdings LLC, and (iii) certain other tax benefits attributable to payments under the tax receivables agreement itself. No future exchanges or other tax benefits have been assumed in the unaudited pro forma consolidated statement of operations. The tax receivables agreement also requires us to pay White Mountains 85% of the amount of the cash savings, if any, in U.S. federal, state and local income tax that we realize (or are deemed to realize) as a result of the utilization of the net operating losses of Intermediate Holdco attributable to periods prior to the IPO and the deduction of any imputed interest attributable to our payment obligations under the tax receivables agreement.

You should read the following unaudited pro forma consolidated statement of operations together with the sections of this prospectus titled "Use of proceeds," "Capitalization," and "Management's discussion and analysis of financial condition and results of operations," and the historical consolidated financial statements and related notes thereto included elsewhere in this prospectus.

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MediaAlpha, Inc.
Unaudited pro forma consolidated statement of operations for the year ended December 31, 2020
(in thousands, except per share data)

	MediaAlpha, Inc. for the year ended December 31, 2020(A)	Debt financing adjustments	Note 1	IPO reorganization adjustments	Note 2	MediaAlpha Inc. pro forma for offering reorganization	IPO adjustments	Note 3	MediaAlpha, Inc. pro forma for offering reorganization and as adjusted for the IPO and this secondary offering
Revenue	$ 584,814	—		—		$ 584,814	—		$ 584,814
Cost and operating expenses									
Cost of revenue	499,434	—		396	a	499,830	—		499,830
Sales and marketing	20,483	—		1,665	a	22,148	—		22,148
Product development	12,449	—		1,355	a	13,804	—		13,804
General and administrative	32,913	—		18,882	a	51,795	(6,973)	a	44,822
Total costs and operating expenses	565,279	—		22,298		587,577	(6,973)		580,604
Income (loss) from operations	19,535	—		(22,298)		(2,763)	6,973		4,210
Other expense	2,302	(1,998)	a	—		304	—		304
Interest expense	7,938	3,201	a	—		11,139	(1,567)	b	9,572
Total other expense	10,240	1,203		—		11,443	(1,567)		9,876
Income (loss)	9,295	(1,203)		(22,298)		(14,206)	8,540		(5,666)
Income tax (benefit)	(1,267)	(180)		(267)	b	(1,714)	877	b	(837)
Net income (loss)	$ 10,562	$ (1,023)		(22,031)		(12,492)	7,663		(4,829)
Net income attributable to QLH prior to Reorganization Transactions	19,166	—		(19,166)		—	—		—
Net income (loss) attributable to non-controlling interest	(4,238)	—		(985)	c	(5,223)	3,140	c	(2,083)
Net income (loss) attributable to stockholders of MediaAlpha, Inc.	$ (4,366)	$ (1,023)		$ (1,880)	c	$ (7,269)	$ 4,523		$ (2,746)
Net loss per share Class A common stock—basic and diluted	$ (0.14)								
Weighted average shares of Class A common stock outstanding—basic and diluted	32,134,170								
Pro forma weighted average common shares outstanding—basic (Note 4a)									36,651,915
Pro forma weighted average common shares outstanding—diluted (Note 4a)									56,031,594
Pro forma net loss per share—basic (Note 4a)									$ (.07)
Pro forma net loss per share—diluted (Note 4a)									$ (.09)

See accompanying notes to unaudited pro forma consolidated financial information.

MediaAlpha, Inc.
Notes to unaudited pro forma consolidated financial information
Unaudited pro forma consolidated statement of operations—Year ended December 31, 2020

A. Represents the historical consolidated statement of operations of MediaAlpha, Inc.'s audited consolidated statement of operations included elsewhere in this prospectus. As a result of the IPO reorganization, the Company, through its wholly owned subsidiary Intermediate Holdco, operates and control all of the business and affairs of QL Holdings LLC and its subsidiaries and consolidates the financial results of QL Holdings LLC and its subsidiaries.

1. Debt financing adjustments

In September 2020, QuoteLab, LLC entered into the 2020 Credit Agreement and used the funds from the 2020 Term Loan Facility to repay the 2019 Credit Facilities and to fund a distribution to existing equity holders of QL Holdings LLC (the "Debt Financing"). The pro forma adjustments related to the Debt financing are as follows:

a. Adjustments to record net incremental interest expense on the $210 million in funds drawn under the 2020 Credit Agreement, net of the $98.4 million repayment of the 2019 Credit Facilities and deferred offering costs of $4.6 million. In addition, a $2.0 million loss on extinguishment of debt that was recorded in other expense in connection with the Debt Financing has been removed as the loss is a one-time non-recurring item that will not have a continuing impact. The pro forma effective interest rate on the borrowings under the 2020 Credit Agreement is 5.05%. A sensitivity analysis on the interest expense has been performed to assess the effect that a hypothetical 0.125 percentage point change in interest rates would cause a corresponding increase or decrease to interest expense of approximately $0.3 million for the year ended December 31, 2020.

	Amount (in thousands)
Reversal of historical interest expense related to the 2019 and 2020 Credit Facilities	(7,453)
Interest expense related to the 2020 Term Loan Facility	10,654
Net incremental interest expense	3,201

2. IPO reorganization adjustments

As part of the IPO offering reorganization, the fourth amended and restated limited liability company agreement of QL Holdings LLC established two classes of equity: managing member Class A-1 units and non-managing member Class B-1 units. After the amendment, Intermediate Holdco holds 100% of the Class A-1 units and the Legacy Profits Interest Holders, the Senior Executives, and Insignia held 100% of the Class B-1 units. As a result, Intermediate Holdco controls QL Holdings LLC, and QL Holdings LLC became a consolidated entity of Intermediate Holdco. As a result, the unaudited pro forma consolidated statement of operations reflects the operations of the Company as though the entities were consolidated from January 1, 2020.

a. Adjustments to record net incremental stock-based compensation expense as a result of the 4,808,819 new restricted stock units (RSUs) granted by the Company at the time of the IPO with ratable vesting each quarter over three years. In addition, a $2.7 million charge related to the acceleration of awards directly attributable to the IPO Reorganization and issued under the QL

Holdings QLH Class B Restricted Unit Plan has been removed as this is a one-time non-recurring charge that will not have a continuing impact.

	Amount (in thousands)
Incremental stock-based compensation – new 2020 RSUs	25,038
Removal of one-time non-recurring acceleration charge	(2,740)
Net incremental increase to stock-based compensation expense	22,298

b. QL Holdings LLC has been, and will continue to be, treated as a partnership for U.S. federal and state income tax purposes. As a partnership, QL Holdings LLC is not subject to U.S. federal and certain state income taxes. Any taxable income or loss generated by QL Holdings LLC is passed through to and included in the taxable income or loss of its members, including the Company, on a pro rata basis. Following the IPO reorganization, the Company was and will continue to be subject to U.S. federal income taxes, in addition to state, local and international taxes, with respect to its allocable share of any taxable income of QL Holdings LLC. As a result, the unaudited pro forma consolidated statement of operations reflect adjustments to income tax expense to reflect the Company's 63.2% allocable share of the pro forma taxable income generated by QL Holdings LLC at a blended statutory tax rate of 23.6% for the year ended December 31, 2020. Note, the historical provision was calculated on MediaAlpha's share of QL Holdings LLC's earnings subsequent to the reorganization (approximately 2 months). In the pro forma IPO reorganization adjustment column, the provision is calculated as if QL Holdings LLC was controlled by MediaAlpha for the full-year (and thus was taxable for the full year). Included in income tax expense is $0.3 million of federal and state tax impacts related to $1.2 million of non-deductible share-based compensation for tax purposes under IRC Section 162(m).

c. Reflects removal and reallocation of income attributable to QLH prior to Reorganization Transactions to MediaAlpha, Inc. and the non-controlling interests. The pro forma adjustments have been allocated using the non-controlling interest percentages following the secondary offering. The Class B-1 Units represent 36.8% of all members' units outstanding and Class A-1 Units represent 63.2%.

3. IPO adjustments

a. Reflects the removal of $7.0 million in one-time non-recurring professional fee expenses that are directly attributable to the IPO and do not have a continuing impact on the operating results of the Company.

b. Represents the reduction to interest expense and associated tax expense as a result of the IPO funds used to pay down $23.6 million in outstanding borrowings under the 2020 Credit Agreement, assuming the pay down occurred as of January 1, 2020. The assumed pro forma effective interest rate on the borrowings under the 2020 Credit Agreement is 5.01% (a decrease of 4 basis points, or 0.04%, as compared to the Debt Financing and reflective of the accelerated payment from the IPO proceeds). A sensitivity analysis on the interest expense has been performed to assess the effect that a hypothetical 0.125 percentage point change in interest rates would cause a corresponding increase or decrease to interest expense of approximately $0.2 million for the year ended December 31, 2020.

	Amount (in thousands)
Reversal of interest expense related to the 2020 Term Loan Facility	(10,654)
Interest expense related to the 2020 Term Loan Facility, net of paydown	9,572
Write-off of deferred loan fees	(485)
Net incremental interest expense	(1,567)

c. The pro forma adjustments have been allocated using the non-controlling interest percentages following this offering. Following this offering, the Class B-1 Units represent 36.8% of all members' units outstanding and Class A-1 Units represent 63.2%.

4. Secondary offering adjustments

As part of this offering, 3,877,540 shares of Class B common stock, and an equal number of Class B-1 units of QL Holdings, LLC, will be exchanged for 3,877,540 shares of Class A common stock. The remaining 3,122,460 shares in the secondary transaction consist of Class A common stock previously outstanding. There will be no effect on the Company's income statement as Class B common stock was converted on a 1:1 basis to Class A common stock. *Note a* below describes the impact of the IPO reorganization, the IPO and this offering on pro forma net loss per share.

a. The calculation of pro forma basic net loss per share represents the Company's pro forma net loss adjusted for the portion attributable to pro forma non-controlling interests divided by the weighted-average shares of Class A common stock outstanding after giving effect to the recapitalization of QL Holdings LLC; the redemption of 4,772,449 Class B-1 Units from Legacy Profits Interest Holders, Senior Executives and Insignia as part of the IPO reorganization; the inclusion of 7,027,606 Class A common stock assumed to be sold in the IPO for which the proceeds were used to repurchase Class B-1 units and repay outstanding borrowings under the 2020 Credit Facilities; and the issuance of 4,808,819 restricted stock unit awards in respect of Class A common stock by the Company, and the exchange of 3,877,540 shares of Class B common stock for 3,877,540 shares of Class A common stock in connection with the secondary offering

As part of the IPO, profits interests (i.e., Class B units of QL Holdings LLC) held by Senior Executives and other Legacy Profits Interest Holders were recapitalized to Class B-1 units. Immediately prior to the recapitalization, unvested profits interests held by the Founders and certain other selected Senior Executives and Legacy Profits Interest Holders became fully vested. The Class B-1 units received in respect of vested profits interests were issued as fully vested, and the Class B-1 units received in respect of unvested profits interests were issued subject to the vesting conditions that applied to the corresponding profits interests. In addition, capital interests held by the Founders and Insignia were recapitalized to fully vested Class B-1 units, and interests held by White Mountains were exchanged for Class A-1 units. Subsequently, the Class B-1 units held by the Legacy Profits Interest Holders were exchanged for shares of Class A common stock in the Company, and to the extent such Class B-1 units were unvested, the shares of Class A common stock received upon exchange were “restricted,” and subject to the vesting conditions that applied to the corresponding Class B-1 units. The Senior Executives and Insignia received non-voting Class B common stock in the Company equal to the number of Class B-1 units retained.

The vested Class B-1 units constitute non-controlling interest. Shares of Class B common stock represent non-economic interests and do not share in the Company’s earnings or losses and are therefore not included in the weighted average shares outstanding or net loss per share.

In the calculation of pro forma diluted net loss per share, the Company applied the if-converted method to the vested Class B-1 units and unvested Class B-1 units, which were first assumed to be vested under the treasury stock method. Potential common shares were calculated by assuming the Class B-1 units were exchanged for Class A common stock as of the beginning of the period or the date of grant, if later, and weighted for the portion of the period they were outstanding. A numerator adjustment was calculated to re-allocate net income attributable to non-controlling interests to the Company which also considered the resulting tax impact. The combined impact of the numerator and denominator adjustment were dilutive to pro forma net loss per share. The Company also applied the treasury stock method to the unvested outstanding equity awards (which include Class B-1 Units, Class A Shares, and restricted stock units), however, these equity awards were excluded from pro forma net loss per share as inclusion of the awards would result in anti-dilution (i.e., a decrease to the net loss per share). The Company has included in the basic net loss per share the assumed vested portion of 801,470 of the restricted Class A common stock granted by the Company.

	Amount (in thousands, except share and per share data)
Numerator:	
Pro forma net loss attributable to stockholders of MediaAlpha, Inc.	$ (2,746)
Pro forma net loss attributable to Class A common stockholders—basic earnings per share	$ (2,746)
Add: pro forma net loss attributable non-controlling interest	(2,083)
Pro forma incremental tax expense attributable to non-controlling interest	$ (236)
Pro forma net loss attributable to Class A common stockholders—diluted	$ (5,065)
Denominator:	
Weighted average Class A common stock outstanding—basic	36,651,915
Dilutive impact of weighted average vested Class B-1 Units exchangeable for Class A common stock	19,379,679
Weighted average Class A common stock outstanding—diluted	56,031,594
Pro forma basic net loss per share	**$ (0.07)**
Pro forma diluted net loss per share	**$ (0.09)**

Management's discussion and analysis of financial condition and results of operations

This section presents management's perspective on our financial condition and results of operations. The following discussion and analysis is intended to highlight and supplement data and information presented elsewhere in this prospectus, including the consolidated financial statements and related notes, and should be read in conjunction with the accompanying tables and our annual audited financial statements and notes thereto included elsewhere in this prospectus and the section titled "Prospectus summary—Summary consolidated financial and operating data." To the extent that this discussion describes prior performance, the descriptions relate only to the periods listed, which may not be indicative of our future financial outcomes. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause results to differ materially from management's expectations. Factors that could cause such differences are discussed in the sections titled "Cautionary note regarding forward-looking statements" and "Risk factors." Financial data as of and for the years ended December 31, 2019 and 2018 has been derived from the audited consolidated financial statements included elsewhere in this prospectus.

Management overview

Our mission is to help insurance carriers and distributors target and acquire customers more efficiently and at greater scale through technology and data science. Our technology platform brings leading insurance carriers and high-intent consumers together through a real-time, transparent, and results-driven ecosystem. We believe we are the largest online customer acquisition channel in our core verticals of property & casualty insurance, health insurance, and life insurance, supporting over $1.4 billion in Transaction Value across our platform over the last two years.

We have multi-faceted relationships with top-tier insurance carriers and distributors. A buyer or a demand partner within our ecosystem is generally an insurance carrier or distributor seeking to reach high-intent insurance consumers. A seller or a supply partner is typically an insurance carrier looking to maximize the value of non-converting or low LTV consumers, or an insurance-focused research destination looking to monetize the high-intent insurance shoppers on their websites. On a monthly basis, an average of 31.2 million consumers shop for insurance products through the websites of our diversified group of supply partners and our proprietary websites, driving an average of over 6.6 million Consumer Referrals on our platform for the year ended December 31, 2020.

We generate revenue by earning a fee for each Consumer Referral sold on our platform. A transaction becomes payable only on a qualifying consumer action, such as a click, call or lead, and is not contingent on the sale of a product to the consumer.

We believe in the disruptive power of transparency. Traditionally, insurance customer acquisition platforms operated in a black box. We recognized that a consumer may be valued differently by one insurer versus another; therefore, insurers should be able to determine pricing granularly based on the value that a particular customer segment is expected to bring to their business. As a result, we developed a technology platform that powers an ecosystem where buyers and sellers can transact with full transparency, control, and confidence, aligning the interests of the parties participating on our platform.

We believe our technology is a key differentiator and a powerful driver of our performance. We maintain deep, custom integrations with partners representing the majority of our Transaction Value to enable automated, data-driven processes that optimize our partners' customer acquisition spend and revenue. Through our platform, our insurance carrier partners can target and price across 35 separate consumer attributes to manage customized acquisition strategies.

For the year ended December 31, 2020, we earned $584.8 million of revenue representing a 43.3% increase over the $408.0 million of revenue we earned for the year ended December 31, 2019 primarily driven by increases in revenue in our P&C insurance vertical of $178.2 million or 81.2% and Health insurance revenue by $35.5 million or 34.1%, partially offset by a decline in revenue in our Other vertical of $34.3 million or 66.8%, primarily driven by decline in our Travel vertical due reduced consumer search volume and budget contraction as a result of COVID-19.

For the year ended December 31, 2020, we earned $10.6 million in net income, compared to $17.8 million for the year ended December 31, 2019, a decrease of 40.7% that was driven primarily by increased professional fee expenses and equity-based compensation incurred in connection with the IPO.

For the year ended December 31, 2020, we had a net loss of $4.4 million in net loss attributable to MediaAlpha, Inc., compared to $0.0 million for the year ended December 31, 2019 on account of loss attributable to MediaAlpha, Inc. and non-controlling interest subsequent to the IPO and IPO reorganization. For the period prior to the IPO reorganization, net income attributable to QL Holdings LLC (“QLH”) was $19.2 million for the year ended December 31, 2020 and $17.8 million for the year ended December 31, 2019.

For the year ended December 31, 2020, we earned $58.1 million in Adjusted EBITDA, compared to $42.9 million for the year ended December 31, 2019, an increase of 35.3% that was primarily driven by strong year over year growth in contribution from our P&C and Health verticals.

For the year ended December 31, 2020, we earned in $85.4 million in gross profit (revenue less cost of revenue), compared to $65.1 million for the year ended December 31, 2019, an increase of 31.2% due to increased revenue contribution from our core insurance verticals, offset by increased equity-based compensation.

For the year ended December 31, 2020, gross margin (revenue less cost of revenue divided by revenue) decreased to 14.6% compared to 16.0% for the year ended December 31, 2019, a decrease of 8.5% due to increased equity-based compensation and increased revenue from strategic supply partners at lower revenue share.

For the year ended December 31, 2020, our Contribution increased to $92.6 million, compared to $69.3 million for the year ended December 31, 2019, an increase of 33.6% due to increased volume of consumer referrals and resulting revenue contribution from our core insurance verticals.

For the year ended December 31, 2020, Contribution Margin decreased to 15.8% compared to 17.0% for the year ended December 31, 2019, due to increased volume of consumer referrals and resulting revenue contribution from strategic supply partners at lower revenue share to MediaAlpha.

Adjusted EBITDA, Contribution, and Contribution Margin are business and operating metrics that are not presented in accordance with GAAP. We use such metrics, together with financial measures prepared in accordance with GAAP, to measure our operating performance. See “—Key business and operating metrics” below. We also present Transaction Value, which is an operating metric not presented in accordance with GAAP. Although Transaction Value is a driver of revenue in accordance with GAAP, we do not believe Transaction Value is a financial measure because it only measures the gross transaction activity across our platform. Transaction activity on the platform translates to earnings that are recorded as revenue as described below under “—Key components of our results of operations—revenue.” As described below under “—Key business and operating metrics—Transaction value,” we present Transaction Value because we believe it is useful to investors to assess the overall level of activity on our platform and to better understand the sources of our revenue across our different transaction models and verticals.

Key factors affecting our business

Revenue

We believe that our future performance will depend on many factors, including those described below and in the section titled "Risk factors" included elsewhere in this prospectus.

Secular trends in the insurance industry

Our technology platform was created to serve and grow with our core insurance end markets. As such, we believe secular trends in the insurance industry are a critical driver of our revenue and will continue to provide strong tailwinds for our business. More insurance consumers are shopping online and direct-to-consumer marketing, which fuels our revenue, is the fastest growing insurance distribution channel. In addition, insurance customer acquisition spending is growing. As mass-market customer acquisition spend is becoming more costly, insurance carriers and distributors are increasingly focusing on optimizing customer acquisition spend, which is at the core of the service we deliver on our platform. As long as these secular trends persist, we expect growth in digital insurance customer acquisition spend to continue, and we believe we are well-positioned to benefit from the industry's growth.

Transaction Value

Transaction Value from open platform transactions is a direct driver of our revenue, while Transaction Value from private platform transactions is an indirect driver of our revenue (see "Key business and operating metrics" below). Transaction Value on our platform grew to $815.7 million for the year ended December 31, 2020 from $560.1 million for the year ended December 31, 2019. We have developed multi-faceted, deeply integrated partnerships with insurance carriers and distributors, who are often both buyers and sellers on our platform. We believe the versatility and breadth of our offerings, coupled with our focus on high-quality products, provide significant value to insurance carriers and distributors, resulting in strong retention rates. As a result, many insurance carriers and distributors use our platform as their central hub for broadly managing digital customer acquisition and monetization. For the year ended December 31, 2020, 96.7% of total Transaction Value executed on our platform came from demand partner relationships from 2019.

Our demand and supply partners

Our success depends on our ability to retain and grow the number of demand and supply partners on our platform. The aggregate number of demand and supply partners on our platform increased to 1,460 for the year ended December 31, 2020 from 1,200 for the year ended December 31, 2019, driven by increased engagement in our P&C and Health verticals, partially offset by decreased engagement in our travel sub-vertical (other) as advertising spend in this vertical decreased period over period. We retain and attract demand partners by finding high-quality sources of Consumer Referrals to make available to our demand partners. We seek to develop, acquire and retain relationships with high-quality supply partners by developing flexible platforms to enable our supply partners to maximize their revenue, manage their demand side relationships in scalable and flexible ways and focus on long-term sustainable economics with respect to revenue share. Our relationships with our partners are deep, long standing and involve the top-tier insurance carriers in the industry. In terms of buyers, 15 of the top 20 largest auto insurance carriers by customer acquisition spend are on our platform. Approximately half of our supply partners have been on our platform since 2016.

Consumer Referrals

Our results also depend on the number of Consumer Referrals purchased on our platform. The aggregate number of consumer clicks, calls and leads purchased by insurance buyers on our platform grew to 79.4 million for the year ended December 31, 2020 from 60.2 million for the year ended December 31, 2019. We seek to increase the number and scale of our supply relationships and drive consumers to our proprietary properties through a variety of paid traffic acquisition sources. We are investing in diversifying our paid media sources to extend beyond search engine marketing, which historically represented the bulk of our paid media spend, and into other online media sources, including native, social, and display advertising.

Seasonality

Our results are subject to significant fluctuation as a result of seasonality. For our quarters ending December 31, our property & casualty insurance vertical is characterized by seasonal weakness due to lower supply of Consumer Referrals during the holiday period on a cost-effective basis and lower customer acquisition budgets from some buyers. In our quarters ending March 31, this trend generally reverses with greater supply of Consumer Referrals and often customer acquisition budgets at the beginning of the year for our partners with fiscal years ending December 31. Our quarters ending March 31 and December 31 are typically characterized by seasonal strength for our health insurance vertical due to open enrollment for health insurance and annual enrollment for Medicare, with a material increase in consumer search volume for health products and a related increase in buyer customer acquisition budgets.

Other factors affecting our partners' businesses include macro factors such as credit availability in the market, the strength of the economy and employment.

Regulations

Our earnings may fluctuate from time to time as a result of federal, state, international and industry-based laws, directives and regulations and developing standards with respect to the enforcement of those regulations. Our business is affected directly because we operate websites, conduct telemarketing and email marketing and collect, process, store, share, disclose, transfer and use consumer information and other data. Our business is affected indirectly as our clients adjust their operations as a result of regulatory changes and enforcement activity within their industries. For example, the recent enactment of the CCPA, which became effective on January 1, 2020, may affect our business. While the CCPA has already been amended multiple times, it is unclear how this legislation will be further modified or how it will be interpreted. The effects of this legislation potentially are far-reaching, however, and may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses. For a description of laws and regulations to which we are generally subject, see the section titled "Risk factors" included elsewhere in this prospectus.

COVID-19 and impact on travel

In 2015, we began to expand into the travel vertical, which is ultimately driven by consumer spending on airfare, hotels, rentals and other travel products. However, as a result of COVID-19, we have experienced a dramatic decline in revenue from the travel vertical and expect this trend to continue indefinitely. For the years ended December 31, 2020 and 2019, revenue from the travel vertical comprised approximately 2.1% and 11.1%, respectively, of our total revenue. While we have sought to maintain our commercial relationships in the travel vertical and remain positioned to capitalize on transactions in the travel vertical when travel activity resumes, we do not expect that revenue from the travel vertical will match our historical results or have any material impact on our overall revenue or profitability for the foreseeable future.

Key business and operating metrics

In addition to traditional financial metrics, we rely upon certain business and operating metrics that are not presented in accordance with GAAP to estimate the volume of spending on our platform, estimate and recognize revenue, evaluate our business performance and facilitate our operations. Such business and operating metrics should not be considered in isolation from, or as an alternative to, measures presented in accordance with GAAP and should be considered together with other operating and financial performance measures presented in accordance with GAAP. Also, such business and operating metrics may not necessarily be comparable to similarly titled measures presented by other companies.

Adjusted EBITDA

We define “Adjusted EBITDA” as net income excluding interest expense, income tax benefit (expense), depreciation expense on property and equipment, and amortization of intangible assets, as well as equity-based compensation expense and transaction expenses. Adjusted EBITDA is a non-GAAP financial measure that we present to supplement the financial information we present on a GAAP basis. We monitor and present Adjusted EBITDA because it is a key measure used by our management to understand and evaluate our operating performance, to establish budgets and to develop operational goals for managing our business. We believe that Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in the calculations of Adjusted EBITDA. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects. In addition, presenting Adjusted EBITDA provides investors with a metric to evaluate the capital efficiency of our business.

Adjusted EBITDA is not presented in accordance with GAAP and should not be considered in isolation of, or as an alternative to, measures presented in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA rather than net income, which is the most directly comparable financial measure calculated and presented in accordance with GAAP. These limitations include the fact that Adjusted EBITDA excludes interest expense on debt, income tax benefit (expense) and depreciation and amortization. In addition, other companies may use other measures to evaluate their performance, including different definitions of “Adjusted EBITDA,” which could reduce the usefulness of our Adjusted EBITDA as a tool for comparison.

The following table reconciles Adjusted EBITDA with net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, for the years ended December 31, 2020, 2019 and 2018.

	Year ended December 31,		
(in thousands)	**2020**	**2019**	**2018**
Net income	$ 10,562	$ 17,820	$ 18,125
Equity-based compensation expense	25,536	3,594	824
Interest expense	7,938	7,021	1,194
Income tax (benefit)	(1,267)	—	—
Depreciation expense on property and equipment	289	272	187
Amortization of intangible assets	3,201	5,381	11,769
Transaction expenses[1]	11,815	8,831	—
Adjusted EBITDA	$ 58,074	$ 42,919	$ 32,099

(1) For the year ended December 31, 2020, transaction expenses included $5.9 million in legal, and other consulting fees, $3.6 million in transaction bonus related to IPO and IPO reorganization, $2.0 million in loss on extinguishment of debt related to the termination of 2019 Credit Facilities, and $0.3 million related to reversal of tax indemnification receivable created in connection with the IPO reorganization. For the year ended December 31, 2019, transaction expenses included $7.2 million in legal, investment banking and other consulting fees and $1.6 million in transaction bonuses related to a transaction with Insignia in February 2019.

Contribution and Contribution Margin

We define “Contribution” as revenue less revenue share payments and online advertising costs, or, as reported in our consolidated statement of operations, revenue less cost of revenue (i.e., gross profit), as adjusted to exclude the following items from cost of revenue: equity-based compensation; salaries, wages, and related; internet and hosting; amortization; depreciation; other services; and merchant-related fees. We define "Contribution Margin" as Contribution expressed as a percentage of revenue for the same period. Contribution and Contribution Margin are non-GAAP financial measures that we present to supplement the financial information we present on a GAAP basis. We use Contribution and Contribution Margin to measure the return on our relationships with our supply partners (excluding certain fixed costs), the financial return on and efficacy of our online advertising costs to drive consumers to our proprietary websites, and our operating leverage. We do not use Contribution and Contribution Margin as measures of overall profitability. We present Contribution and Contribution Margin because they are used by our management and board of directors to manage our operating performance, including evaluating our operational performance against budget and assessing our overall operating efficiency and operating leverage. For example, if Contribution Margin increases and our headcount costs remain steady, our Adjusted EBITDA and operating leverage increase. If Contribution Margin decreases, we may choose to re-evaluate and re-negotiate our revenue share agreements with our supply partners, to make optimization and pricing changes with respect to our bids for keywords from primary traffic acquisition sources, or to change our overall cost structure with respect to headcount, fixed costs and other costs. Other companies may calculate Contribution and Contribution Margin differently than we do. Contribution and Contribution Margin have their limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results presented in accordance with GAAP.

The following table reconciles Contribution and Contribution Margin with gross profit, the most directly comparable financial measure calculated and presented in accordance with GAAP, for the years ended December 31, 2020, 2019 and 2018.

	Year Ended December 31,		
(in thousands)	**2020**	**2019**	**2018**
Revenue	$ 584,814	$ 408,005	$ 296,910
Less cost of revenue	(499,434)	(342,909)	(247,670)
Gross profit	$ 85,380	$ 65,096	$ 49,240
Adjusted to exclude the following (as related to cost of revenue):			
Equity-based compensation	2,809	181	54
Salaries, wages, and related	2,188	1,471	1,265
Internet and hosting	438	520	387
Amortization	—	511	738
Depreciation	24	22	23
Other expenses	284	263	247
Other services	902	778	584
Merchant-related fees	585	452	259
Contribution	$ 92,610	$ 69,294	$ 52,797
Gross Margin	14.6%	16.0%	16.6%
Contribution Margin	15.8%	17.0%	17.8%

Transaction Value

We define "Transaction Value" as the total gross dollars transacted by our partners on our platform. Transaction Value is a direct driver of revenue, with differing revenue recognition based on the economic relationship we have with our partners. Our partners use our platform to transact via open and private platform transactions. In our open platform model, revenue recognized represents the Transaction Value and revenue share payments to our supply partners represent costs of revenue. In our private platform model, revenue recognized represents a platform fee billed to the demand partner or supply partner based on an agreed-upon percentage of the Transaction Value for the Consumer Referrals transacted, and accordingly there are no associated costs of revenue. We utilize Transaction Value to assess revenue and to assess the overall level of transaction activity through our platform. We believe it is useful to investors to assess the overall level of activity on our platform and to better understand the sources of our revenue across our different transaction models and verticals.

The following table presents Transaction Value by platform model for the years ended December 31, 2020, 2019 and 2018.

	Year Ended December 31,		
(in thousands)	2020	2019	2018
Open platform transactions	$ 573,242	$ 399,945	$ 291,331
Percentage of total Transaction Value	70.3%	71.4%	73.3%
Private platform transactions	$ 242,470	160,181	105,924
Percentage of total Transaction Value	29.7%	28.6%	26.7%
Total Transaction Value	$ 815,712	$ 560,126	$ 397,255

The following table presents Transaction Value by vertical for the years ended December 31, 2020, 2019, and 2018.

	Year Ended December 31,		
(in thousands)	2020	2019	2018
Property & casualty insurance	$ 549,916	$ 322,817	$ 225,930
Percentage of total Transaction Value	67.4%	57.6%	56.9%
Health insurance	175,539	122,320	83,624
Percentage of total Transaction Value	21.5%	21.8%	21.1%
Life insurance	42,206	34,884	30,136
Percentage of total Transaction Value	5.2%	6.2%	7.6%
Other	48,051	80,105	57,565
Percentage of total Transaction Value	5.9%	14.3%	14.5%
Total Transaction Value	$ 815,712	$ 560,126	$ 397,255

Consumer Referrals

We define “Consumer Referral” as any consumer click, call or lead purchased by a buyer on our platform. Click revenue is recognized on a pay-per-click basis and revenue is earned and recognized when a consumer clicks on a listed buyer’s advertisement, presented subsequent to the consumer’s search (e.g. auto insurance quote search or health insurance quote search). Call revenue is earned and recognized when a consumer transfers to a buyer and remains engaged for a requisite duration of time, as specified by each buyer. Lead revenue is recognized when we deliver data leads to buyers. Data leads are generated through insurance carriers or insurance-focused research destination websites who make the data leads available to buy through our platform or when users complete a full quote request on our proprietary websites. Delivery occurs at the time of lead transfer. The data we generate from each Consumer Referral feeds into our analytics model to generate conversion probabilities for each unique consumer, enabling discovery of predicted return and cost per sale across the platform and helping us to improve our platform technology. We monitor the number of Consumer Referrals on our platform in order to measure Transaction Value, revenue and overall business performance across our verticals and platform models. For the year ended December 31, 2020, the percentage of total Transaction Value generated from clicks, calls and leads was 79.9%, 8.1% and 12.0%, respectively.

Number of demand and supply partners

The aggregate number of demand and supply partners on our platform determines in part the level of Consumer Referral demand and supply on our platform. We use the number of demand and supply partners on our platform to evaluate our current business performance and future business prospects.

Key components of our results of operations

Revenue

We operate primarily in the property & casualty insurance, health insurance and life insurance verticals and generate revenue through the purchase and sale of Consumer Referrals.

The price and amount of Consumer Referrals purchased and sold on our platform varies and is a function of a number of market conditions and consumer attributes, including (i) geographic location of consumers, (ii) demographic attributes of consumers, (iii) the source of Consumer Referrals and quality of conversion by source, (iv) buyer bids and (v) buyer demand and budget.

In our open platform transactions, we have control over the Consumer Referrals that are sold to our demand partners. In these arrangements, we have separate agreements with demand partners and suppliers. Suppliers are not party to the contractual arrangements with our demand partners, nor are the suppliers the beneficiaries of our demand partner agreements. We earn fees from our demand partners and separately pay (i) a revenue share to suppliers and (ii) a fee to internet search companies to drive consumers to our proprietary websites. We are the principal in the open platform transactions. As a result, the fees paid by demand partners are recognized as revenue and the fees paid to suppliers are included in cost of revenue.

With respect to our private platform transactions, buyers and suppliers contract with one another directly and leverage our platform to facilitate transparent, real-time transactions utilizing the reporting and analytical tools available to them from use of our platform. We charge a platform fee on the Consumer Referrals transacted. We act as an agent in the private platform transactions and recognize revenue on the platform fee received. There are no separate payments made by us to suppliers in our private platform.

We adopted Accounting Standards Codification (“ASC”) 606, Revenue from Contracts with Customers (“ASC 606”), as issued by the Financial Accounting Standards Board, which governs how we recognize revenue derived from Consumer Referrals. We recognize revenue when we transfer promised goods or services to clients in an amount that reflects the consideration to which we are entitled. We recognize revenue pursuant to the framework contained in ASC 606: (i) identify the contract with a client; (ii) identify the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) determine the transaction price, including the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when we satisfy the performance obligations.

Generally, our contracts with buyers specify a period of time covered and a budget governing spend limits. While contracts can specify a term, most of our contracts can be terminated at any time without penalty upon 30- or 60-days’ notice. As a result, the transaction price for the delivery of each Consumer Referral is determined and recorded in real time and no estimation of variable consideration or future consideration is required. We satisfy our performance obligations as services are provided. We do not promise to provide any other significant goods or services to our partners after delivery and generally do not offer a right of return.

Cost and operating expenses

Cost and operating expenses consist primarily of cost of revenue, sales and marketing expenses, product expenses and general and administrative expenses.

Cost of revenue

Our cost of revenue is comprised primarily of revenue share payments to suppliers and traffic acquisition costs paid to top tier search engines as well as telephony infrastructure costs, internet and hosting, merchant fees, salaries and related expenses, amortization expense and other expenses.

Sales and marketing

Sales and marketing expenses consist primarily of an allocation of personnel expenses for employees engaged in demand side and supply side business development, marketing and media acquisition activities and includes salaries, wages and benefits, including non-cash equity-based compensation. Sales and marketing expenses also include costs related to attracting partners to our platform, including marketing and promotions, tradeshow and related travel and entertainment expenses. Sales and marketing expenses also include an allocated portion of rent and facilities expenses and depreciation and amortization expense.

Product development

Product development expenses consist primarily of an allocation of personnel expenses for employees engaged in technology, engineering and product development and includes salaries, wages and benefits, including non-cash equity-based compensation. Product development expenses also include an allocated portion of rent and facilities expenses and depreciation and amortization expense.

General and administrative

General and administrative expenses consist primarily of an allocation of personnel expenses for executive, finance, legal, human resources, and business analytics employees, and includes salaries, wages and benefits, including non-cash equity-based compensation. General and administrative expenses also include professional services and an allocated portion of rent and facilities expenses and depreciation expense.

Other expense

Other expenses consist of the loss on extinguishment recognized in connection with the termination of the 2019 Credit Facilities in 2020.

Interest expense

Interest expense consists primarily of interest expense associated with outstanding borrowings under our loan and security agreements and the amortization of deferred financing costs and debt discounts associated with these arrangements. See "—Liquidity and capital resources—Financing activities" below.

Provision for income taxes

Prior to the IPO reorganization and the IPO, the Company was not subject to corporate income taxation. As such, income tax expense recorded during 2020 reflected the expected tax expense on the net earnings subsequent to the IPO reorganization and the IPO related to MediaAlpha, Inc.'s economic interest in QLH.

The effective tax rate for the year ended December 31, 2020 was (13.4)%, compared to the effective tax rate for the years ended December 31, 2019 and 2018 of 0.0% and 0.0%, respectively. The 2020 income tax benefit was different than the U.S. federal statutory income tax rate of 21% primarily due to QLH being treated as a partnership and MediaAlpha, Inc. being only responsible for paying taxes on its allocable share of income from the partnership. The 2019 and 2018 income tax expense was different than the U.S. federal statutory income tax rate of 21% primarily due to QLH being treated as a pass-through entity and generally not paying income tax on its taxable income. Instead, the members are liable for paying the tax on their proportionate share of tax. The change in the effective tax rate between the periods was primarily a result of a mix of earnings between entities and the change in the noncontrolling interest as a result of the IPO reorganization and the IPO.

Net income (loss) attributable to QLH prior to Reorganization Transactions

Net income (loss) incurred prior to the IPO reorganization is attributed to QLH. Net income attributable to QLH prior to the IPO reorganization was $19.2 million for the period January 1, 2020 to October 27, 2020, compared to $17.8 million and $18.1 million for the years ended December 31, 2019 and 2018, respectively.

Net income (loss) attributable to Non-controlling interest

Net income (loss) is attributed to non-controlling interests in accordance with QLH's limited liability company agreement. We allocate the share of net income (loss) incurred subsequent to the IPO reorganization to the non-controlling interest holders pari-passu to their holding at period-end. The non-controlling interests balance represents the Class B-1 units held at QLH. Net loss attributable to non-controlling interest was $4.2 million for year ended December 31, 2020 and $0.0 for the years ended December 31, 2019 and 2018.

Overview for the years ended December 31, 2020, 2019 and 2018

The following table sets forth our operating results and related percentage of revenue for the years ended December 31, 2020, 2019 and 2018:

	Year Ended December 31,					
(in thousands)	**2020**		**2019**		**2018**	
Revenue	$ 584,814	100.0%	$ 408,005	100.0%	$ 296,910	100.0%
Cost of operating expenses						
Cost of revenue	499,434	85.4%	342,909	84.0%	247,670	83.4%
Sales and marketing	20,483	3.5%	13,822	3.4%	11,739	4.0%
Product development	12,449	2.1%	7,042	1.7%	10,339	3.5%
General and administrative	32,913	5.6%	19,391	4.8%	7,843	2.6%
Total cost and operating expenses	565,279	96.7%	383,164	93.9%	277,591	93.5%
Income from operations	19,535	3.3%	24,841	6.1%	19,319	6.5%
Other expense	2,302	0.4%	—	0.0%	—	0.0%
Interest expense	7,938	1.4%	7,021	1.7%	1,194	0.4%
Total other expense	10,240	1.8%	7,021	1.7%	1,194	0.4%
Income before income taxes	9,295	1.6%	17,820	4.4%	18,125	6.1%
Income tax (benefit)	(1,267)	-0.2%	—	0.0%	—	0.0%
Net income	$ 10,562	1.8%	$ 17,820	4.4%	$ 18,125	6.1%
Net income attributable to QLH prior to Reorganization Transactions	19,166	3.3%	17,820	4.4%	18,125	6.1%
Net (loss) attributable to non-controlling interest	(4,238)	-0.7%	—	0.0%	—	0.0%
Net (loss) attributable to MediaAlpha, Inc.	$ (4,366)	-0.7%	$ —	0.0%	$ —	0.0%
Net (loss) per share of Class A common stock - basic and diluted	$ (0.14)		—		—	
Weighted average shares of Class A common stock outstanding - basic and diluted	32,134,170		—		—	

Revenue

The following table presents our revenue, disaggregated by vertical, for the years ended December 31, 2020, 2019, and 2018, and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Property & casualty insurance	$ 397,710	178,243	81.2%	$ 219,467	$ 57,379	35.4%	$ 162,088
Percentage of revenue	68%			53.8%			54.6%
Health insurance	139,796	35,535	34.1%	104,261	32,824	45.9%	71,437
Percentage of revenue	24%			25.6%			24.1%
Life insurance	30,313	(2,699)	(8.2)%	33,012	4,470	15.7%	28,542
Percentage of revenue	5%			8.1%			9.6%
Other	16,995	(34,270)	(66.8)%	51,265	16,422	47.1%	34,843
Percentage of revenue	3%			12.6%			11.7%
Revenue	$ 584,814	176,809	43.3%	$ 408,005	111,095	37.4%	$ 296,910

2020 compared to 2019

Property & casualty insurance revenue increased $178.2 million, or 81.2%, from $219.5 million for the year ended December 31, 2019. The increase was due to an increase in spend from auto and home insurance carriers, driven by improving carrier profitability and the growing trend of property & casualty insurance carriers allocating customer acquisition budgets to the DTC channel, which in turn allowed our supply partners to drive more consumers through their websites. These dynamics led to a period over period increase in supply from both new and existing supply partners.

Health insurance revenue increased $35.5 million, or 34.1%, from $104.3 million for the year ended December 31, 2019. This increase was driven by increased customer acquisition budget allocation from Health and Medicare insurance carriers, which in turn allowed our supply partners to drive more consumers through their websites, and increased supply from our proprietary properties as we increased the volume of media spend to satisfy the increased demand.

Life insurance revenue decreased $2.7 million, or 8.2%, from $33.0 million for the year ended December 31, 2019. This decrease was driven by lower allocation from carriers and brokers, as budgets from Demand Partners contracted due to COVID-19 mortality concerns.

Other revenue decreased $34.3 million, or 66.8%, from $51.3 million for the year ended December 31, 2019. This decrease was driven primarily by a decrease in Travel comparison shopping, due to concerns around COVID-19.

2019 compared to 2018

Property & casualty insurance revenue increased $57.4 million, or 35.4%, from $162.1 million for the year ended December 31, 2018. The increase was due to an increase in spend from auto insurance carriers, driven by improving carrier profitability and the growing trend of property & casualty insurance carriers allocating customer acquisition budgets to the DTC channel, which in turn allowed our supply partners to drive more consumers through their websites. These dynamics led to a period over period increase in supply from both new and existing supply partners.

Health insurance revenue increased $32.8 million, or 45.9%, from $71.4 million for the year ended December 31, 2018. This increase was driven by increased customer acquisition budget allocation from health insurance carriers, which in turn allowed our supply partners to drive more consumers through their websites, and increased supply from our proprietary properties as we increased the volume of media spend to satisfy the increased demand.

Life insurance revenue increased $4.5 million, or 15.7%, from $28.5 million for the year ended December 31, 2018. This increase was driven by increased customer acquisition budget allocation from life insurance carriers, which in turn led to improved monetization and allowed our supply partners to drive more consumers through their websites.

Other revenue increased $16.4 million, or 47.1%, from $34.8 million for the year ended December 31, 2018. This increase was driven primarily by growth in our travel vertical as we increased our market share with new supply partners. For the year ended December 31, 2019, revenue from travel grew to $45.2 million from $26.9 million for the year ended December 31, 2018.

Cost of revenue

The following table presents our cost of revenue for the years ended December 31, 2020, 2019 and 2018 and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Cost of revenue	$499,434	$156,525	45.6%	$ 342,909	$95,239	38.5%	$ 247,670
As a percentage of total revenue	85.4%			84.0%			83.4%

2020 compared to 2019

For the year ended December 31, 2020, cost of revenue increased by $156.5 million, or 45.6%, from $342.9 million for the year ended December 31, 2019. The increase was driven primarily by the increase in revenue and corresponding increase in revenue share payments to suppliers of $132.4 million as supply partners increased volume. Additionally, there was an increase of $21.3 million in media costs as we increased paid media acquisition to drive more consumers to our proprietary websites to meet buyer demand and increased equity-based compensation of $2.6 million.

As we experience growth in revenue, we expect the relationship between our costs and revenue to remain in line with our historical results.

2019 compared to 2018

For the year ended December 31, 2019, cost of revenue increased by $95.2 million, or 38.5%, from $247.7 million for the year ended December 31, 2018. The increase was driven primarily by the increase in revenue and corresponding increase in revenue share payments to suppliers of $74.4 million as supply partners increased volume. Additionally, there was an increase of $20.2 million in media costs as we increased paid media acquisition to drive more consumers to our proprietary websites to meet buyer demand.

As we experience growth in revenue, we expect the relationship between our costs and revenue to remain in line with our historical results.

Sales and marketing

The following table presents our sales and marketing expenses for the years ended December 31, 2020, 2019 and 2018 and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Sales and marketing	$20,483	$6,661	48.2%	$ 13,822	$2,083	17.7%	$ 11,739
As a percentage of total revenue	3.5%			3.4%			4.0%

2020 compared to 2019

For the year ended December 31, 2020, sales and marketing expenses increased by $6.7 million, or 48.2%, from $13.8 million for the year ended December 31, 2019. The increase in sales and marketing expense was primarily due to the increase in equity-based compensation expense of $5.2 million, and an increase in personnel-related costs of $2.0 million driven by increased headcount to support current and future business growth, and one-time bonuses paid in connection with the IPO. These costs were partially offset by a decrease in amortization expense of $0.2 million, as certain intangible assets were fully amortized.

2019 compared to 2018

For the year ended December 31, 2019, sales and marketing expenses increased by $2.1 million, or 17.7%, from $11.7 million for the year ended December 31, 2018. The increase in sales and marketing expense was primarily due to the increase in equity-based compensation expense of $1.0 million and an increase in personnel-related costs of $1.4 million, as we increased our headcount to support current and future growth of the business, and an increase in other expense of $0.1 million, partially offset by a decrease in amortization expense of $0.4 million, as certain intangible assets were fully amortized.

Product development

The following table presents our product development expenses for the years ended December 31, 2020, 2019 and 2018, and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Product development	$ 12,449	$5,407	76.8%	$ 7,042	$(3,297)	-31.9%	$ 10,339
As a percentage of total revenu	2.1%			1.7%			3.5%

2020 compared to 2019

For the year ended December 31, 2020, product development expenses increased by $5.4 million, or 76.8%, from $7.0 million for the year ended December 31, 2019. The increase is primarily due to an increase in equity-based compensation of $4.2 million, an increase in personnel-related costs of $2.6 million, as we continued to hire engineering and product development talent to further enhance our technology and one-time bonuses paid in connection with the IPO partially offset by a decrease in amortization expense of $1.5 million, as certain intangible assets were fully amortized.

2019 compared to 2018

For the year ended December 31, 2019, product development expenses decreased by $3.3 million, or 31.9%, from $10.3 million for the year ended December 31, 2018. The decrease in product development expense was primarily due to the decrease in amortization expense of $5.8 million, as certain intangible assets were fully amortized. This decrease was offset by an increase in personnel-related costs of $1.9 million, as we continued to hire engineering and product development talent to further enhance our technology, an increase in equity-based compensation of $0.4 million, and other expenses of $0.2 million.

General and administrative

The following table presents our general and administrative expenses for the years ended December 31, 2020, 2019 and 2018 and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
General and administrative	$ 32,913	$13,522	69.7%	$ 19,391	$11,548	147.2%	$ 7,843
As a percentage of total revenue	5.6%			4.8%			2.6%

2020 compared to 2019

For the year ended December 31, 2020, general and administrative expenses increased by $13.5 million, or 69.7%, from $19.4 million for the year ended December 31, 2019. The increase is primarily due to an increase in equity-based compensation expense of $10.0 million, an increase in other expenses of $1.8 million, driven by professional fees incurred in connection with the IPO, and an increase in personnel-related costs of $1.7 million, as we hired additional leadership talent to support our growth and one-time bonuses paid in connection with the IPO.

2019 compared to 2018

For the year ended December 31, 2019, general and administrative expenses increased by $11.5 million, or 147.2%, from $7.8 million for the year ended December 31, 2018. The increase in general and administrative expenses in both dollars and as a percentage of revenue was primarily due to an increase of $7.2 million in legal, investment banking and other consulting fees related to the February 2019 transaction with Insignia, $2.4 million in personnel-related, an increase in equity-based compensation expense of $1.3 million, and a $0.6 million increase in other expenses.

Equity-based compensation

The following table presents our equity-based compensation expense that was included in cost and operating expenses for the years ended December 31, 2020, 2019 and 2018 and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Cost of revenue	$ 2,809	$ 2,628	1451.9%	$ 181	$ 127	235.2%	$ 54
Sales and marketing	6,544	5,160	372.8%	1,384	959	225.6%	425
Product development	4,722	4,190	787.6%	532	365	218.6%	167
General and administrative	11,461	9,964	665.6%	1,497	1,319	741.0%	178
Total	$ 25,536	$21,942	610.5%	$ 3,594	$2,770	336.2%	$ 824

2020 compared to 2019

For the year ended December 31, 2020, equity-based compensation expense increased $21.9 million, or 610.5%, compared to the year ended December 31, 2019. This change was primarily driven by grants of stock awards to Senior Executives and Legacy Profit Interest Holders and restricted stock units under the 2020 Omnibus Incentive Plan.

2019 compared to 2018

For the year ended December 31, 2019, equity-based compensation expense increased $2.8 million, or 336.2%, compared to the year ended December 31, 2018, reflecting equity-based compensation recognized in connection with a transaction with Insignia in February 2019.

Depreciation

The following table presents our depreciation expense that was included in cost and operating expenses for the years ended December 31, 2020, 2019 and 2018, and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Cost of revenue	$ 24	$ 2	9.1%	$ 22	$ (1)	-4.3%	$ 23
Sales and marketing	108	16	17.4%	92	17	22.7%	75
Product development	90	(2)	-2.2%	92	46	100.0%	46
General and administrative	67	1	1.5%	66	23	53.5%	43
Total	$ 289	$17	6.3%	$ 272	$85	45.5%	$ 187

2020 compared to 2019

There were no material changes in depreciation expense in the year ended December 31, 2020 as compared with the same period ended December 31, 2019.

2019 compared to 2018

There were no material changes in depreciation expense in the year ended December 31, 2019 as compared with the same period ended December 31, 2018.

Amortization

The following table presents our amortization of intangible asset expense that was included in cost and operating expenses for the years ended December 31, 2020, 2019 and 2018, and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Cost of revenue	$ —	$ (510)	-100.0%	$ 510	$ (228)	-30.9%	$ 738
Sales and marketing	3,201	(200)	-5.9%	3,401	(383)	-10.1%	3,784
Product development	—	(1,470)	-100.0%	1,470	(5,777)	-79.7%	7,247
General and administrative	—	—	—	—	—	—	—
Total	$ 3,201	$(2,180)	-40.5%	$ 5,381	$(6,388)	-54.3%	$ 11,769

2020 compared to 2019

For the year ended December 31, 2020, amortization of intangible asset expense decreased $2.2 million or 40.5%, compared to the year ended December 31, 2019. This change was primarily driven by intangible assets that were fully amortized in 2019.

2019 compared to 2018

For the year ended December 31, 2019, amortization of intangible asset expense decreased $6.4 million or 54.3%, compared to the year ended December 31, 2018. This change was primarily driven by intangible assets that were fully amortized in 2019.

Other expenses

The following table presents our other expenses for the years ended December 31, 2020, 2019 and 2018 the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Other expense, net	$ 2,302	$2,302	100.0%	$ —	$—	0.0%	$ —
As a percentage of total revenue	0.4%			0.0%			0.0%

For the year ended December 31, 2020, other expenses represented a loss on extinguishment recognized in connection with the termination of the 2019 Credit Facilities.

There was no other expense in 2019 or 2018.

Interest expense

The following table presents our interest expense for the years ended December 31, 2020, 2019 and 2018 and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Interest expense, net	$ 7,938	$917	13.1%	$ 7,021	$5,827	488.0%	$ 1,194
As a percentage of total revenue	1.4%			1.7%			0.4%

2020 compared to 2019

For the year ended December 31, 2020, interest expense increased by $0.9 million or 13.1% from $7.0 million for the year ended December 31, 2019, due to a higher outstanding balance as of December 31, 2020 of the 2020 Credit Facilities, compared to the 2019 Credit Facilities.

2019 compared to 2018

For the year ended December 31, 2019, interest expense increased by $5.8 million from $1.2 million for the year ended December 31, 2018. The increase in interest expense was driven by the additional borrowings of $85.0 million through the 2019 Credit Facilities.

Income tax expense (benefit)

The following table presents our income tax expense for the years ended December 31, 2020, 2019 and 2018 and the dollar and percentage changes between the two periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Income tax (benefit)	(1,267)	$(1,267)	100%	$ —	$—	0.0%	$ —
As a percentage of total revenue	0%			0%			0.0%

Prior to the IPO reorganization in October of 2020, QLH was organized as a limited liability company and incurred no income taxes. Subsequent to the IPO reorganization, MediaAlpha, Inc. is subject to U.S. federal, state and foreign income taxes with respect to its allocable share of any taxable income or loss of QLH.

Segment information

We operate in the United States and in a single operating segment. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. Our chief operating decision maker is our chief executive officer, who reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. No expense or operating income is evaluated at a segment level. Since we operate in one operating segment and reportable segment, all required financial segment information can be found in the consolidated financial statements.

Liquidity and capital resources

Overview

Prior to the completion of the IPO, our liquidity needs were funded primarily through cash flow generated from operations. Our principal uses of cash have been to fund operations as well as make distributions to holders of Class A and Class B units at QLH, interest payments and mandatory principal payments on our long-term debt.

On October 30, 2020, we closed the IPO, selling 7,027,606 shares of Class A common stock at a public offering price of $19.00 per share, which includes 769,104 shares issued pursuant to the underwriters' option to purchase additional shares. We received $124.2 million, net of underwriting discounts and commissions, which we used in part to repurchase 4,772,449 Class B-1 units of MediaAlpha.

MediaAlpha, Inc. contributed (i) $84.3 million of the net proceeds to Intermediate Holdco for Intermediate Holdco to repurchase 4,772,449 Class B-1 units of QLH (which Class B-1 units were converted into Class A-1 units of QLH) and (ii) $23.6 million of the net proceeds to Intermediate Holdco for further contribution to QLH, and in turn to QL, to repay outstanding borrowings under the 2020 Term Loan Facility. The remaining net proceeds of $16.3 million were contributed to Intermediate Holdco for further contribution to QLH and QL to pay for costs associated with the offering and to use for working capital, capital expenditures and general corporate purposes. Immediately following the completion of the IPO, there were 33,169,141 shares of Class A common stock outstanding, representing an approximately 56.5% ownership interest in QLH. Additionally, immediately following the completion of the IPO, there were 25,536,043 shares of Class B common stock outstanding, equivalent to all but 41,620 Class B-1 units of QLH not held by us, representing an approximately 43.5% ownership interest in QLH.

Cash Flows

As of December 31, 2020, and December 31, 2019, our cash and cash equivalents totaled $23.5 million and $10.0 million, respectively.

We believe that our current sources of liquidity, which include cash flow generated from operations, cash and funds available under the 2020 Credit Facilities, will be sufficient to meet our projected operating and debt service requirements for at least the next 12 months. To the extent that our current liquidity is insufficient to fund future activities, we may need to raise additional funds. In the future, we may attempt to raise additional capital through the sale of equity securities or through debt financing arrangements. If we raise additional funds by issuing equity securities, the ownership of our existing stockholders will be diluted. The incurrence of additional debt financing would result in debt service obligations, and any future instruments governing such debt could provide for operating and financing covenants that could restrict our operations.

The following table presents a summary of our cash flows for the years ended December 31, 2020, 2019 and 2018 and the dollar and percentage changes between the periods:

(in thousands)	Year ended December 31, 2020	$	%	Year ended December 31, 2019	$	%	Year ended December 31, 2018
Net cash provided by operating activities	$ 51,410	$ 29,267	132.2%	$ 22,143	$ (506)	(2.2)%	$ 22,649
Net cash used in investing activities	(10,296)	(10,002)	3,402.0%	(294)	346	(54.1)%	(640)
Net cash used in financing activities	(27,588)	(10,105)	57.8%	(17,483)	7,962	(31.3)%	(25,445)

Operating activities

Net cash provided by operating activities primarily consists of net income, adjusted for certain (i) non-cash items including equity-based compensation expense, depreciation on property and equipment and amortization of intangible assets and deferred debt issuance costs and (ii) changes in operating assets and liabilities (accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses and deferred rent).

Collection of accounts receivable depends upon the timing of our receipt of payments. We aim to align our separate payment obligations to supply partners and traffic acquisition sources for our proprietary websites with the timing of our receipt of separate payments from our demand partners. With respect to supply partners who are also demand partners, we maintain separate agreements for selling and buying and, in the majority of cases, such partners do not have a right of offset with respect to their buy-side payments, nor do we have a right of offset with respect to sell-side payments to such partners. If we were to experience a delay in receiving a payment from a buyer within a quarter, our operating cash flows for that quarter could be adversely impacted.

Cash flows provided by operating activities were $51.4 million for the year ended December 31, 2020 as compared to $22.1 million for the year ended December 31, 2019. The increase is primarily due to higher non-cash adjustment related to equity-based compensation expense and higher working capital usage primarily driven by growth in our business and expenses incurred in connection with the IPO partially offset by lower net income.

Cash flows provided by operating activities were $22.1 million for the year ended December 31, 2019 as compared to $22.7 million for the year ended December 31, 2018. The decrease is primarily on account of lower net income, excluding the impact of non-cash charges partially offset by higher working capital usage driven primarily by growth in our business.

Investing activities

Our investing activities primarily consist of purchases of property and equipment, acquisition of intangible assets and investments.

Cash flows used in investing activities were $10.3 million for the year ended December 31, 2020 as compared to $0.3 million for the year ended December 31, 2019. The increase is due to our investment in a cost method investment during the year ended December 31, 2020.

Cash flows used in investing activities were $0.3 million for the year ended December 31, 2019 as compared to $0.6 million for the year ended December 31, 2018. The decrease is primarily on account of higher purchases of property and equipment during the year ended December 31, 2018.

Financing activities

Our financing activities primarily consist of proceeds from and repayments on our term debt facilities, and revolving line of credit, payments of debt issue costs, transactions related to our common stock, and member contributions and distributions prior to the IPO.

Cash flows used in financing activities were $27.6 million for the year ended December 31, 2020 as compared to $17.5 million for the year ended December 31, 2019. The increase is primarily due to members' distribution, repayment of term debt related to extinguishment of 2019 Credit Facilities and partial prepayment of 2020 Credit Facilities, and payments to Legacy Profit Interest Holders and Senior Executives in exchange for Class B-1 units of QLH. The increase was partially offset by proceeds from the 2020 Credit Facilities and net proceeds from issuance of Class A common stock in connection with the IPO.

Cash flows used in financing activities were $17.5 million for the year ended December 31, 2019 as compared to $25.4 million for the year ended December 31, 2018. The decrease is on account of higher members' distributions, repurchase of Class A units at QLH, and repayment of term debt partially offset by proceeds from the 2019 Credit Facilities and members' contributions.

Senior secured credit facilities

As of December 31, 2020, we had $182.7 million of outstanding borrowings, net of deferred debt issuance costs of $3.7 million, under the 2020 Credit Facilities consisting of (i) a $210 million term loan and (ii) a $5.0 million revolving credit facility.

On September 23, 2020, we terminated and repaid in full the 2019 Credit Facilities, and QL entered into the 2020 Credit Agreement with JPMorgan Chase Bank, N.A., as lender and administrative agent, and the other lenders from time to time party thereto, providing for the 2020 Credit Facilities consisting of (i) the 2020 Term Loan Facility and (ii) the 2020 Revolving Credit Facility.

Our obligations under the 2020 Credit Facilities are guaranteed by QLH and the domestic subsidiaries of QL, subject to certain exceptions. The 2020 Credit Facilities are secured by substantially all of the tangible and intangible assets of QL and the guarantors under the 2020 Credit Agreement (including, without limitation, all of the equity interests in QL held by QLH), subject to permitted liens and certain exceptions. QL and its subsidiaries are subject under the 2020 Credit Facilities to customary affirmative and negative covenants, including limitations on their ability to incur additional indebtedness and engage in certain business transactions, such as distributions and other restricted payments, acquisitions and other investments and mergers. In addition, the 2020 Credit Agreement contains two financial maintenance covenants, requiring QL to (1) comply with a maximum Consolidated Total Net Leverage Ratio (as defined in the 2020 Credit Agreement) and (2) maintain a minimum Consolidated Fixed Charge Coverage Ratio (as defined in the 2020 Credit Agreement). Events of default under the 2020 Credit Agreement include, among other things, nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain affirmative covenants, to a grace period); cross-event of default to material debt; bankruptcy events; certain ERISA events; material judgments; change of control; and actual or asserted invalidity of the 2020 Credit Agreement and non-perfection of the security interest on any material portion of the collateral. If an event of default occurs, the lenders will be permitted to declare all outstanding borrowings immediately due and payable. There can be no guarantee that we will be in compliance with all covenants related to the 2020 Credit Facilities in the future and, if we are not in compliance with any such covenants, that waivers will be obtained.

Proceeds from the 2020 Term Loan Facility were used to refinance the 2019 Credit Facilities and pay related fees and expenses and fund a distribution to equity holders of QLH. The 2020 Revolving Credit Facility is available for general corporate purposes and includes a letter of credit sub-facility of up to $2.5 million. The 2020 Credit Facilities also include an uncommitted incremental facility, which, subject to certain conditions, provides for additional term loan facilities, an increase in commitments under the 2020 Term Loan Facility and/or an increase in commitments under the 2020 Revolving Credit Facility, in an aggregate amount of up to $50.0 million.

Contractual obligations

The following table sets forth certain contractual obligations as of December 31, 2020 and the timing and effect that such commitments are expected to have on our liquidity and capital requirements in future periods.

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt[(1)]	$186,375	$ —	$ —	$186,375	$ —
Operating lease obligations	4,601	747	1,551	2,303	—
Liabilities under the tax receivable agreement[(2)]	22,498	—	3,899	2,501	16,098
Total contractual obligations	$213,474	$ 747	$5,450	$191,179	$ 16,098

(1) See note 7 to the audited consolidated financial statements included elsewhere in this prospectus. On September 23, 2020, QuoteLab, LLC terminated and repaid in full the 2019 Credit Facilities and entered into the 2020 Credit Agreement providing for the 2020 Credit Facilities consisting of (i) the 2020 Term Loan Facility and (ii) the 2020 Revolving Credit Facility. QuoteLab, LLC is required to repay the 2020 Term Loan Facility, commencing with the fiscal quarter ending December 31, 2020, in equal quarterly installments in an aggregate annual amount equal to 5% of the initial aggregate amount of the 2020 Term Loan Facility, with the balance payable on the maturity date, which is September 23, 2023 (or, if such date is not a business day, the first business day following such date). See “Description of certain indebtedness.”

(2) See note 11 to the audited consolidated financial statements included elsewhere in this prospectus.

Tax Receivables Agreement

We expect to obtain an increase in our share of the tax basis of the tangible and intangible assets of QLH as a result of (i) our purchase (through Intermediate Holdco) of Class B-1 units of QLH from certain unitholders (including the Selling Class B-1 Unit Holders) in connection with the IPO, (ii) the Pre-IPO Leveraged Distribution and other actual or deemed distributions by QLH to its members, and (iii) certain post-IPO exchanges (including in connection with this offering) of Class B-1 units of QLH, together with an equal number of shares of our Class B common stock, for shares of our Class A common stock (or, at our election, cash of an equivalent value). These increases in tax basis are expected to increase our depreciation and amortization deductions (for tax purposes) and create other tax benefits and therefore may reduce the amount of cash taxes that we would otherwise be required to pay in the future. This existing and increased tax basis may also decrease gain (or increase loss) on future dispositions of certain assets to the extent tax basis is allocated to those assets.

In connection with the IPO, we entered into the Tax Receivables Agreement (“TRA”) with Insignia, the Senior Executives, and White Mountains related to the tax basis step-up of the assets of QLH and certain net operating losses of Intermediate Holdco. The agreement requires us to pay Insignia and the Senior Executives 85% of the cash savings, if any, in U.S. federal, state and local income tax we realize (or are deemed to realize) as a result of (i) any increases in tax basis following our purchase (through Intermediate Holdco) of Class B-1 units of QLH from certain unitholders (including the Selling Class B-1 Unit Holders) in connection with the IPO, as well as any post-IPO exchanges (including in connection with this offering) described above, (ii) the Pre-IPO Leveraged Distribution and other actual or deemed distributions by QLH to its members that result in tax basis adjustments to the assets of QLH, and (iii) certain other tax benefits attributable to payments under the TRA itself.

The TRA also requires us to pay White Mountains 85% of the amount of the cash savings, if any, in U.S. federal, state and local income tax that we realize (or are deemed to realize) as a result of the utilization of the net operating losses of Intermediate Holdco attributable to periods prior to the IPO and the deduction of any imputed interest attributable to our payment obligations under the TRA. We currently estimate that the amount of any such net operating losses is immaterial. We will benefit from the remaining 15% of any realized (or deemed to be realized) cash tax savings. For a description of the TRA, see "Organizational structure—Tax receivables agreement."

We expect the payments we make under the TRA to be significant. We will account for the income tax effects and corresponding TRA's effects resulting from future exchanges (including in connection with this offering) of Class B-1 units of QLH by us by recognizing an increase in our deferred tax assets, based on enacted tax rates at the date of the exchange. Further, we will evaluate the likelihood that we will realize the benefit represented by the deferred tax asset and, to the extent that we estimate that it is more likely than not that we will not realize the benefit, we will reduce the carrying amount of the deferred tax asset with a valuation allowance. The amounts to be recorded for both the deferred tax assets and the liability for our obligations under the TRA will be estimated at the time of any purchase or redemption as a reduction to shareholders' equity, and the effects of changes in any of our estimates after this date will be included in net income (loss). Similarly, the effect of subsequent changes in the enacted tax rates will be included in net income (loss). Judgement is required in assessing the future tax consequences of events that have been recognized in our consolidated financial statements. A change in our assessment of such consequences, such as realization of deferred tax assets, changes in tax laws or interpretations thereof could materially impact our results.

Off-balance sheet arrangements

We have not entered into any off-balance sheet arrangements, as defined in Regulation S-K.

Recent accounting pronouncements

For a discussion of new accounting pronouncements recently adopted and not yet adopted, see the notes to our consolidated financial statements included elsewhere in this prospectus.

Critical accounting policies and estimates

We prepare our consolidated financial statements in accordance with GAAP, and in doing so, we have to make estimates, assumptions and judgments affecting the reported amounts of assets, liabilities, revenues and expenses, as well as the related disclosure of contingent assets and liabilities. We base our estimates, assumptions and judgments on historical experience and on various other factors we believe to be reasonable under the circumstances. Different assumptions and judgments would change the estimates used in the preparation of our condensed consolidated financial statements, which, in turn, could change our results from those reported. We evaluate our critical accounting estimates, assumptions and judgments on an ongoing basis.

An accounting policy is considered to be critical if the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the effect of the estimates and assumptions on financial condition or operating performance. The accounting policies we believe to reflect our more significant estimates, judgments and assumptions that are most critical to understanding and evaluating our reported financial results are: revenue recognition, goodwill and intangible assets, impairment of long-lived assets, equity-based compensation, income taxes, and payable to related parties under the tax receivable agreement.

See Note 2 to the audited consolidated financial statements included elsewhere in this prospectus.

Revenue recognition

For a description of our policies with respect to revenue recognition, see "—Key components of our results of operations—Revenue" in this section.

Business combinations

We account for business combinations in accordance with ASC 805, which requires, among other things, the acquiring entity in a business combination to recognize the fair value of all the assets acquired and liabilities assumed; the recognition of acquisition-related costs in the consolidated results of operations; the recognition of restructuring costs in the consolidated results of operations for which the acquirer becomes obligated after the acquisition date; and contingent purchase consideration to be recognized at their fair values on the acquisition date with subsequent adjustments recognized in the consolidated results of operations. The excess of the purchase price over the fair value of the identified assets and liabilities is recorded as goodwill. Operating results of the acquired entity are reflected in our consolidated financial statements from the date of acquisition.

We perform valuations of assets acquired and liabilities assumed for an acquisition and allocate the purchase price to its respective net tangible and intangible assets. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenue, costs, and cash flows, discount rates and selection of comparable companies and comparable transactions. For material acquisitions, we engage the assistance of valuation specialists in concluding on fair value measurements of certain assets acquired or liabilities assumed in a business combination. During the measurement period, which is not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill.

Impairment of Goodwill

Goodwill is calculated as the excess of the purchase consideration paid in a business combination over the fair value of the assets acquired less liabilities assumed. Goodwill is not amortized, but rather is evaluated for impairment on an annual basis, or whenever indications of potential impairment exist. In the absence of any indications of potential impairment, the evaluation of goodwill is performed during the fourth quarter of each year. For the purposes of goodwill impairment testing, the Company has one reporting unit.

Goodwill impairment is the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. When testing goodwill for impairment, we first perform a qualitative assessment to determine whether it is necessary to perform a goodwill impairment test. We are required to perform a goodwill impairment test only if we conclude that it is more likely than not that the reporting unit's fair value is less than the carrying value of its assets. Should this be the case, the next step is to identify whether a potential impairment exists by comparing the estimated fair value of the reporting unit with the carrying value, including goodwill. If the estimated fair value of the reporting unit exceeds the carrying value, goodwill is not considered to be impaired and no additional steps are necessary. If, however, the fair value of the reporting unit is less than its carrying value, then the amount of the impairment loss is the amount by which the reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill.

For the years ended December 31, 2020 and 2019, there were no impairments recognized for goodwill.

Impairment of long-lived assets

Long-lived assets such as property and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Factors that we consider in deciding when to perform an impairment review include significant underperformance of our business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of our assets. An impairment loss is recognized on long-lived assets in the consolidated statement of operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of the assets. In such cases, the carrying value of these assets are adjusted to their estimated fair values and assets held for sale are adjusted to their estimated fair values less selling expenses.

For the years ended December 31, 2020 and 2019, there were no impairments recognized for long-lived assets.

Equity-based compensation

Prior to the IPO, certain of our employees (including the Founders) were granted Class B units, directly or indirectly, in QLH for services in connection with our operations and were considered to fall within the scope of equity-based compensation.

We use a contingent claims analysis framework that relies on a Black-Scholes option-pricing model to determine the fair value of the QLH Class B units. As of each valuation date of QLH Class B units, the contingent claims analysis framework relies on the fair value of the total equity of QLH; management's expected term to an exit event such as an event leading to a sale or an initial public offering of QLH; an estimate of equity volatility applicable to units of QLH commensurate to the term from the valuation to an exit date; a dividend yield and a risk-free rate as of each valuation date; and a calculated breakpoint that is akin to a strike price, above which the QLH Class B units contractually share in the proceeds to QLH upon an exit event. Fair value of total equity for QLH is established using both a market multiples approach and a discounted cash flow method, as well as a price established from certain equity transactions with third-party investors. Compensation expense of those awards is recognized, over the requisite service period, which is generally the vesting period of the respective award. Forfeitures are accounted for as they occur. Because all of the QLH Class B profits interests were either (1) settled or (2) cancelled and replaced upon the IPO, there are 0 QLH Class B units outstanding as of December 31, 2020.

Income Taxes

We are subject to U.S. federal, state and foreign income taxes with respect to our allocable share of any taxable income or loss of QLH, as well as any stand-alone income or loss we generate. Significant judgment is required in determining our provision or benefit for income taxes and in evaluating uncertain tax positions.

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events included in our consolidated financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the consolidated financial statements and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized on our consolidated statement of operations in the period in which the enactment date occurs.

We record valuation allowances against our deferred tax assets when they are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations.

We recognize tax benefits from uncertain tax positions only if it is more likely than not the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized from such positions are measured based on the largest benefit having a greater than 50% likelihood of being realized.

Payable to related parties pursuant to the tax receivables agreement

As described in Note 11 to the audited consolidated financial statements included elsewhere in this prospectus, we are a party to the tax receivables agreement, under which we are contractually committed to pay the non-controlling interest holders in QLH 85% of the amount of any tax benefits that we actually realize, or in some cases are deemed to realize as a result of certain transactions. Amounts payable under the tax receivables agreement are contingent upon, among other things, the generation of future taxable income over the term of the tax receivables agreement. The projection of future taxable income involves significant judgement. In projecting future taxable income, we consider our historical results and incorporate certain assumptions including the growth rate of the Company and the amount, character, and timing of the taxable income in the future. Actual taxable income may differ from our estimates, which could significantly impact the liability under the tax receivables agreement.

Additionally, we estimate the amount of tax receivables agreement payments expected to be paid within the next 12 months and classify this amount as current on our Consolidated Balance Sheets. This determination is based on our estimate of taxable income for the next fiscal year. To the extent our estimate differs from actual results, we may be required to reclassify portions of our liabilities under the tax receivables agreement between current and non-current. If all of the remaining Class B-1 unitholders were to exchange all of their LLC Units, the Company would recognize a deferred tax asset of approximately $275 million and a tax receivables agreement liability of approximately $293 million, assuming (i) that the Class B-1 unitholders redeemed or exchanged all of their Class B-1 Units immediately as of December 31, 2020 at a price of $39.07 per share of its Class A common stock, (ii) no material changes in relevant tax law, (iii) a constant corporate tax rate of 23.7%, (iv) that the Company earns sufficient taxable income in each year to realize on a current basis all tax benefits that are subject to the tax receivables agreement, and (v) that the attributes from Intermediate Holdco are not limited pursuant to section 382 of the Internal Revenue Code. The actual amount of deferred tax assets and related liabilities are impacted by the timing of the exchanges, the valuation of the corporation, the price of the Company's shares of Class A common stock at the time of the exchange, and the tax rates then in effect. The Company may elect to completely terminate the tax receivables agreement early only with the written approval of each of a majority of its independent directors, although it has no plans to do so at this time. As a result, the Company would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the tax receivables agreement.

Quantitative and Qualitative Disclosures about Market Risk

In the normal course of business, we are subject to market risks. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates.

Interest rate risk

The 2020 Credit Facilities bear interest at a variable rate. As a result, we may be exposed to fluctuations in interest rates to the extent of our outstanding borrowings under the 2020 Credit Facilities. A hypothetical 1.0% increase or decrease in the interest rate associated with the 2020 Credit Facilities would have resulted in a $0.5 million impact to interest expense for the period starting September 23, 2020 (the date on which we entered into the 2020 Credit Agreement) and ending December 31, 2020.

Concentrations of credit risk and of significant demand and supply partners

We maintain cash balances that can, at times, exceed amounts insured by the Federal Deposit Insurance Corporation. We have not experienced any losses in these accounts and believe we are not exposed to any unusual credit risk in this area based on the financial strength of institutions with which we maintain our deposits.

Our accounts receivable, which are unsecured, may expose us to credit risks due to collectability. We control credit risk by investigating the creditworthiness of all customers prior to establishing relationships with them, performing periodic reviews of the credit activities of those customers during the course of the business relationship, regularly analyzing the collectability of accounts receivable, and recording allowances for doubtful accounts when these receivables become uncollectible.

Customer concentrations for the years ended December 31, 2020 and 2019 consisted of one customer that accounted for approximately $132.3 million, or 23%, and $78.8 million, or 19%, of revenue, respectively. Our two largest customers accounted for approximately $23.7 million and $9.8 million, or 24% and 10%, respectively, of the Company's accounts receivable as of December 31, 2020 compared to one customer for approximately $4.7 million, or 8%, as of December 31, 2019.

The Company's accounts payable can expose the Company to business risks such as supplier concentrations. For the year ended December 31, 2020, supplier concentrations consisted of one supplier that accounted for approximately $60.0 million, or 11% of total purchases and for the year ended December 31, 2019 two suppliers that accounted for approximately $84.6 million, or 24%, of total purchases. Our two largest suppliers accounted for approximately $24.5 million, or 25%, of the Company's total accounts payable as of December 31, 2020 compared to $14.7 million, or 36%, as of December 31, 2019.

Internal control over financial reporting and evaluation of disclosure controls and procedures

As of December 31, 2020, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) to determine whether such disclosure controls and procedures provide reasonable assurance that information to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and such information is accumulated and communicated to management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that, notwithstanding the material weakness in our internal control over financial reporting, the consolidated financial statements in this prospectus fairly present, in all material respects, our financial position, results of operations and cash flows for the period presented in conformity with U.S. GAAP.

Material Weakness in Internal Control over Financial Reporting

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

As previously reported, we identified a material weakness related to the accounting for non-standard equity-based compensation arrangements. Specifically, we did not design and maintain effective controls to evaluate different features built into the equity award in determining the appropriate vesting period of the award. Additionally, the Company determined the historical method it used to determine the grant date fair value of the equity award was not permissible under applicable guidance, and the Company did not appropriately account for repurchases of equity awards. This material weakness resulted in a restatement of our consolidated financial statements for the years ended December 31, 2019 and 2018.

Management's Remediation plan for the Previously Identified Material Weakness

As part of our remedial efforts, we reassessed our policy relating to the accounting for and recording of equity-based compensation, we engaged a third-party valuation firm to determine grant date fair values for each tranche of equity grants, we engaged a third-party consulting firm to review our equity-based compensation model that included a full review of our equity-based compensation expense for each award grant, and we have identified and are in the process of implementing a third-party equity-based compensation software system to streamline and automate the tracking and expensing of our equity-based compensation awards.

While significant progress has been made, additional time is required to complete implementation and to assess and ensure the sustainability of the relevant processes. The material weakness cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and we have concluded, through testing, that these controls are designed and operating effectively.

Management's Report on Internal Control Over Financial Reporting

This prospectus does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting during the quarter ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

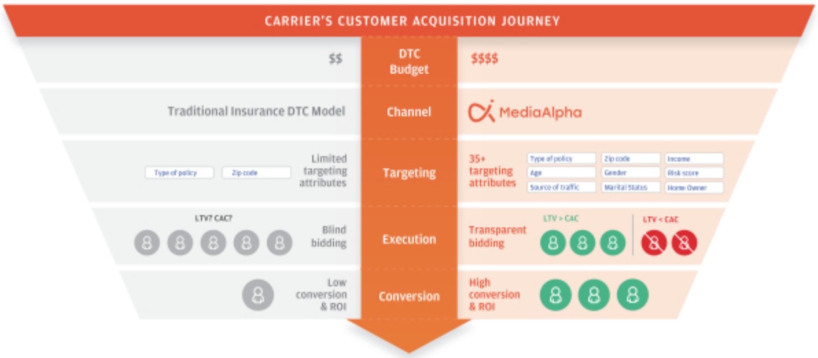
In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their cost.

Business

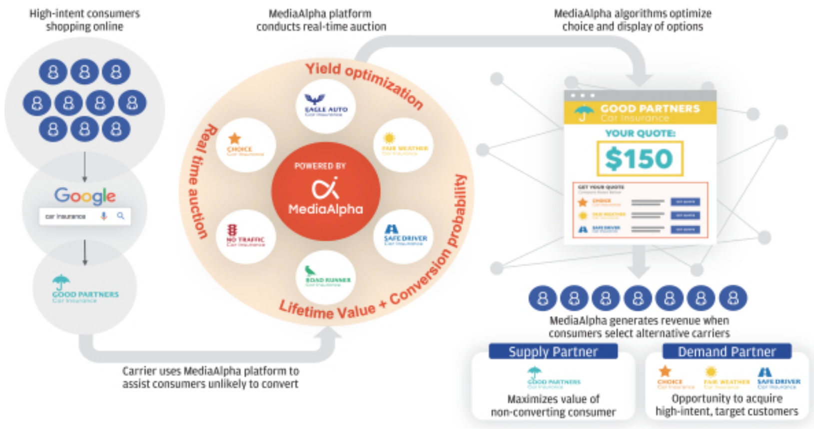
Our company

Our mission is to help insurance carriers and distributors target and acquire customers more efficiently and at greater scale through technology and data science. Our technology platform brings leading insurance carriers and high-intent consumers together through a real-time, transparent, and results-driven ecosystem. We believe we are the largest online customer acquisition channel in our core verticals of property & casualty insurance, health insurance, and life insurance, supporting over $1.4 billion in Transaction Value across our platform over the last two years.

We believe in the disruptive power of transparency. Traditionally, insurance customer acquisition platforms operated in a black box. We recognized that a consumer may be valued differently by one insurer versus another; therefore, insurers should be able to determine pricing granularly based on the value that a particular customer segment is expected to bring to their business. As a result, we developed a technology platform that powers an ecosystem where buyers and sellers can transact with full transparency, control, and confidence.



We have multi-faceted relationships with top-tier insurance carriers and distributors. A buyer or a demand partner within our ecosystem is generally an insurance carrier or distributor seeking to reach high-intent insurance consumers. A seller or a supply partner is typically an insurance carrier looking to maximize the value of non-converting or low LTV consumers, or an insurance-focused research destination looking to monetize the high-intent insurance shoppers on their websites. Our model's versatility allows for the same insurance carrier to be both a demand and supply partner, which deepens the partner's relationship with us. In fact, it is this supply partnership that presents insurance carriers with a highly differentiated monetization opportunity, enabling them to capture revenue from website visitors who either do not qualify for a policy or otherwise may be more valuable as a potential referral to another carrier.



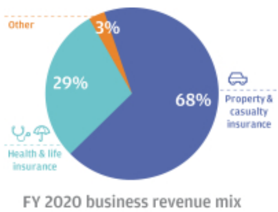
For the year ended December 31, 2020, we had 15 of the top 20 largest auto insurance carriers by customer acquisition spend as demand partners on our platform, accounting for 43% of our revenue. Of these demand partners, 67% were also supply partners in our ecosystem. On a monthly basis, an average of 31.2 million consumers shop for insurance products through the websites of our diversified group of supply partners and our proprietary websites, driving an average of over 6.6 million Consumer Referrals on our platform for the year ended December 31, 2020.

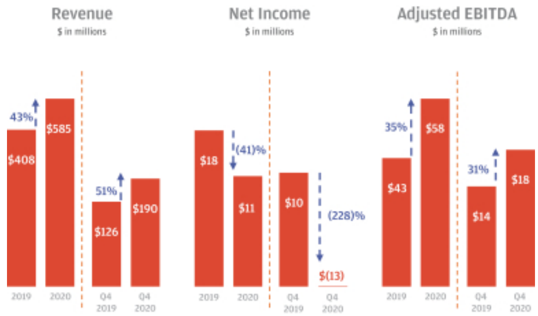
We believe our technology is a key differentiator and a powerful driver of our performance. We maintain deep, custom integrations with partners representing the majority of our Transaction Value to enable automated, data-driven processes that optimize our partners' customer acquisition spend and revenue. Through our platform, our insurance carrier partners can target and price across over 35 separate consumer attributes to manage customized acquisition strategies. We enable our insurance partners to target consumers based on a precise calculation of the expected lifetime value to that partner and to make real-time, automated customer acquisition decisions through a combination of granular price management tools and robust predictive analytics capabilities.

We built our business model to align the interests of all parties participating on our platform. We generate revenue by earning a fee for each Consumer Referral sold on our platform. Our revenue is not contingent on the sale of an insurance product to the consumer.

We have a track record of delivering rapid and profitable growth, enabled by our unique business model and technology platform. For the year ended December 31, 2020, we generated $584.8 million of revenue, representing a 43.3% increase over the $408.0 million of revenue that we generated for the year ended December 31, 2019. This translated to net income of $10.6 million for the year ended December 31, 2020, a decrease of 40.7% over the $17.8 million of net income we generated for the year ended December 31, 2019. We also generated $58.1 million of Adjusted EBITDA[(1)] for the year ended December 31, 2020, representing a 35.3% increase over the $42.9 million of Adjusted EBITDA generated for the year ended December 31, 2019.[(1)]

(1) "Adjusted EBITDA" is a non-GAAP financial measure that we present in this prospectus to supplement the financial information we present on a GAAP basis. For a reconciliation of Adjusted EBITDA to the most directly comparable financial measure calculated and presented in accordance with GAAP, see "Management's discussion and analysis of financial condition and results of operations—Key business and operating metrics."





We designed our business model to be capital efficient, with high operating leverage and cash flow conversion. Since inception and prior to our IPO, we have funded our growth through internally generated cash flow with no outside primary capital. Our strong cash flow generation is driven by (i) the nature of our revenue model, which is fee based and generated at the time a Consumer Referral is sold, and (ii) our proprietary technology platform, which is highly scalable and requires minimal capital expenditure requirements ($0.3 million for the year ended December 31, 2020 and $0.1 million for the year ended December 31, 2019).

The foundation of our success is our company culture. Personal development is critical to our team's engagement and retention, and we continually invest to support our core values of open-mindedness, intellectual curiosity, candor, and humility. This has resulted in a growth-minded team, with exceptionally low turnover, committed to building great products and the long-term success of our partners.

We are poised to capitalize on the expected growth in our core insurance verticals and the continued shift in these markets to direct, digital distribution. We aim to drive deeper adoption and integration of our platform within the insurance ecosystem to continue delivering strong results to our partners. While our focus remains on insurance, we plan to continue to grow opportunistically in sectors with similar market dynamics.

Our market opportunity

Insurance is one of the largest industries in the United States, with attractive growth characteristics and market fundamentals. Insurance companies wrote over $2 trillion in premiums in 2019, and the industry grew at a 6% CAGR from 2017 through 2019, according to the NAIC. Demand for insurance products is stable, due to, in many instances, coverage being mandatory by law (for example, auto insurance) or federally subsidized (for example, senior health insurance). The industry as a whole is highly competitive and invests heavily in customer acquisition. Total customer acquisition spend in the insurance industry was approximately $144 billion in 2019, representing year over year growth of approximately 6%, according to S&P Global Market Intelligence.

Our technology platform was created to serve and grow with our insurance end markets. As such, we believe secular trends in the insurance industry will continue to provide strong tailwinds for our business.

- ***Direct-to-consumer is the fastest growing insurance distribution channel.*** In the auto insurance industry, there are direct-to-consumer carriers (such as Progressive and GEICO) and more traditional, agent-based carriers (such as Liberty Mutual and Allstate). DTC carriers accounted for approximately 30% of industry premiums in 2018, up from approximately 23% in 2013, according to S&P Global Market Intelligence. This industry shift to more direct distribution is accelerating. According to J.D. Power, GEICO and Progressive captured nearly 84% of premium growth within the auto insurance industry in 2019. This growth is largely driven by their outsized investments, relative to peers, in direct customer acquisition channels. According to S&P Global Market Intelligence, GEICO's customer acquisition spend increased from $0.9 billion in 2017 to $1.7 billion in 2019, representing 82% growth, and Progressive's customer acquisition spend increased from $1.5 billion in 2017 to $1.9 billion in 2019, representing 28% growth. Traditional, agent-based carriers have responded by investing more heavily in direct customer acquisition efforts themselves, as well as launching digital brands (such as Nationwide and Spire), acquiring digital agencies (such as Prudential and AssuranceIQ), or acquiring digital insurers (such as Allstate and Squaretrade). At the same time, a number of personal lines InsurTech companies have entered the space to capitalize on this shift (such as Root, Lemonade, and Hippo).

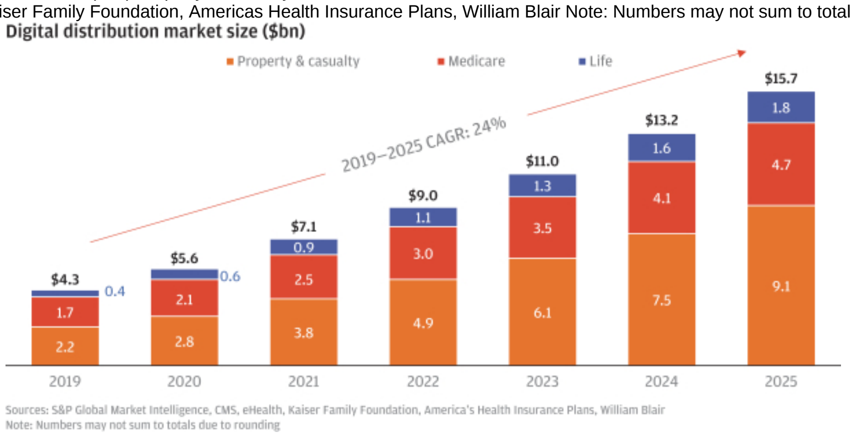
  Similarly, tech-enabled distribution businesses focused on health and life insurance, such as eHealth, GoHealth, and SelectQuote, have also emerged in recent years, with revenue growth in excess of 40% in 2019. These companies advertise and acquire customers primarily through digital means and rank among the largest distribution platforms for health and life insurance products.

- ***More insurance consumers are shopping online.*** Consumers are increasingly using the internet not just for research and price discovery but to purchase insurance as well. The J.D. Power 2020 U.S. Insurance Shopping Study suggests that 90% of consumers are open to purchasing their auto insurance online. A decade ago, 35% of consumers who had not made an online auto insurance policy purchase in the past said they would consider doing so in the future, according to the Comscore 2010 Online Auto Insurance Shopping Report. This shift is not only prevalent among younger insurance shoppers. According to LexisNexis Insurance Demand Meter, consumers 56 and older are the fastest growing online auto insurance shoppers in the first quarter of 2020. This older demographic is also going online for health information. According to BMC Health Services Research, 63% of people age 65 and older had obtained health information from a website in 2013.

- ***Insurance customer acquisition spending is growing.*** Total insurance customer acquisition spending in 2019 totaled $144 billion, up 6% over the previous year, according to S&P Global Market Intelligence. In fact, two of the top three most-advertised brands in the U.S. across traditional and online channels are insurance companies—Progressive and GEICO. Progressive's customer acquisition spend grew approximately 29% year over year to nearly $1.7 billion in 2019, while GEICO's customer acquisition spend grew almost 12% to nearly $2 billion in the same period. In the face of such aggressive spending and customer acquisition by DTC insurance carriers such as Progressive and GEICO, agent-based carriers are compelled to spend heavily to remain competitive.

- ***Digital customer acquisition spending by insurers has plenty of headroom.*** According to William Blair, insurance carriers lag in customer acquisition spend in terms of percentage of budget allocated to digital. While the advertising industry as a whole now aligns its allocation of digital dollars with consumers' time spent online (56% respectively in 2019), insurers allocate only 20-25% of their budgets to digital channels. Even category-leader Progressive is estimated to allocate only 30% of its budget to digital. William Blair further estimates that digital spend by the insurance industry is expected to grow at a 24% CAGR over the next six years, reaching approximately $16 billion by 2025, representing 31% of overall customer acquisition budgets.

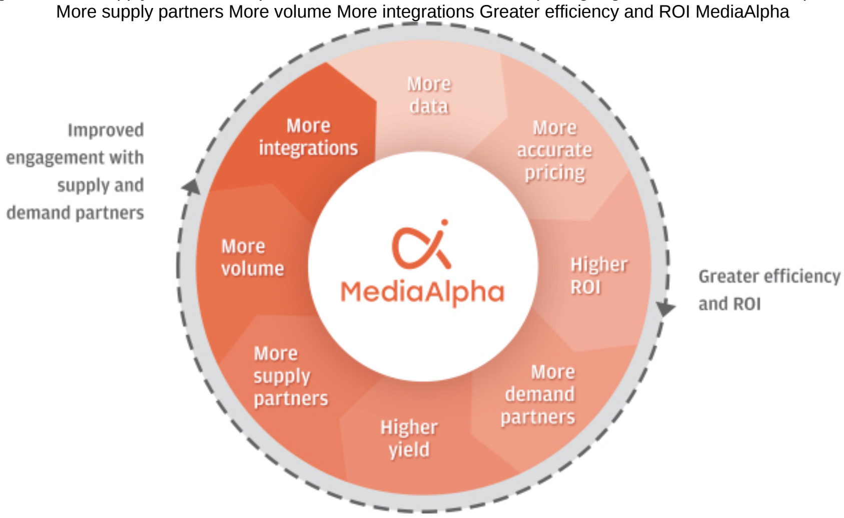
Digital distribution market size ($bn) Property & casualty Medicare Life 20192025 CAGR: 24% Sources: S&P Global Market Intelligence, CMS, eHealth, Kaiser Family Foundation, Americas Health Insurance Plans, William Blair Note: Numbers may not sum to totals due to rounding



- ***Carriers and distributors are increasingly focused on optimizing customer acquisition budgets.*** Mass-market customer acquisition spend is becoming more costly, leading carriers and distributors to increasingly focus on optimizing customer acquisition spend. They are able to do so by adopting the more sophisticated customer acquisition strategies enabled by data science. A significant percentage of marketers believe the inability to measure customer acquisition impact across channels and campaigns is one of their biggest challenges in demonstrating customer acquisition performance. We believe there is growing demand for improved transparency of Consumer Referral quality, for carriers to secure higher quality Consumer Referrals online, and for the ability to manage consumer acquisition spend across multiple vendors. A survey by CMO in February 2020 reported that marketing analytics spending is expected to increase by 56% in the next three years.

MediaAlpha is poised to capitalize on these trends. We believe we provide one of the leading technology platforms that enables insurance carriers and distributors to efficiently acquire customers online at scale. Our platform allows buyers to target consumers granularly and to determine their pricing based on how they value various consumer segments. Buyers leveraging our predictive analytics and data science capabilities make value-maximizing decisions on how to acquire customers. This results in greater customer acquisition efficiency and better return on investment, allowing us to attract more buyers into the ecosystem. Simultaneously, we provide our supply partners the insights and tools they need to drive competition for their high-intent consumers and maximize yield, which draws more supply partners into the ecosystem, providing our buyers with even more high-quality demand sources. As both demand and supply partners begin to see the benefits of the platform, we deepen our relationships with them through additional integrations that drive more data into the platform. All of this creates the powerful “flywheel” effect that has propelled our business forward as a result of the value created within our ecosystem.

Improved engagement with supply and demand partners More Data More accurate pricing Higher ROI More demand partners Higher yield More supply partners More volume More integrations Greater efficiency and ROI MediaAlpha



Our platform

We have created one of the largest global insurance customer acquisition technology platforms. For the year ended December 31, 2020, we had $815.7 million in Transaction Value and served over 1,000 total insurance partners.

Our buyers use our platform to access over 370 million high-intent consumers annually, sourced from over 380 insurance sellers as of December 31, 2020. We serve over 750 buyers across our core insurance verticals, including insurance carriers, InsurTech companies, agencies, and brokers. Our platform was designed for multiple Consumer Referral products and flexible deployment models to best serve the varying needs of our partners.

Insurance carriers access our platform through a self-service web interface that enables them to manage customer acquisition strategies across all sources of Consumer Referrals, efficiently and with full transparency. Our platform provides insurance companies sophisticated targeting capabilities for efficient customer acquisition. Further, it offers our partners the ability to offset customer acquisition costs by using predictive analytics to refer non-converting consumers to other carriers, delivering better returns on investment relative to traditional channels.

Demand partners dashboard

Supply partners dashboard

We connect insurance companies with websites where consumers shop for insurance. Insurance carriers and distributors are able to target high-intent consumers when they are actively shopping for insurance. Our end consumers typically access our partners' websites or our proprietary websites looking for an insurance quote, where they volunteer relevant data in connection with their quote request. Our platform then controls the matching of these consumers with insurance companies, presenting them with multiple brands to choose from. We believe the rich data available with every consumer quote request gives our platform the unparalleled ability to direct each Consumer Referral to the right set of carriers. We maximize value to both demand and supply partners by allowing insurance companies to reach consumers when they are actively shopping and precisely target granular consumer segments using rich data.

We enable insurance companies to reach and acquire new customers in multiple ways. In our platform, end consumers can engage with insurance companies based on their preferences. Our platform enables consumers to (i) proceed to an insurance carrier's website on a self-directed basis to purchase a policy (click), (ii) engage with an insurance carrier or agent via phone (call), or (iii) submit their data to insurance companies to receive inbound inquiries (lead). Our platform's flexibility in turn enables insurance carriers to acquire and convert consumers through one or more touchpoints, depending on their strengths and preferences. As of December 31, 2020, clicks, calls, and leads represented 79.9%, 8.1%, and 12.0% of our Transaction Value, respectively.

Our platform leverages precise data and data science for maximum efficiency. Insurance carriers use precise data to target and price consumer segments across demographic and geographic attributes on a source transparent basis. This allows insurance carriers to pay the right price for every customer acquisition opportunity based on their business objectives. Insurance carriers integrate with our platform to provide real-time conversion feedback, allowing them to measure returns granularly and execute algorithmic optimization of customer acquisition cost to match expected LTV. We have conversion data integrations with 15 of the top 20 insurance buyers as of December 31, 2020 representing 54% of Transaction Value attributed to our insurance verticals. Increasing the number and depth of our conversion integrations with our partners remains a key priority.

Insurance carriers are able to extract the maximum value from each consumer opportunity. We have extensive data integrations with our partners to support efficient customer acquisition. These data integrations allow us to more seamlessly transact a Consumer Referral by taking information an end consumer has already provided and pre-populating it into an insurance carrier's purchase process, potentially increasing policy conversion rates. This enhances the value of the Consumer Referral to our insurance carriers, adding significant value to all parties in our platform. Currently, we have 77 buyers with this type of integration in place for active and future campaigns, representing 70% of Transaction Value attributed to our insurance verticals as of December 31, 2020. Increasing the number and depth of our data integrations with our partners remains a key priority, and we believe this number will increase as our platform grows.

Our transaction models. We transact with our demand partners and supply partners through two operating models, open platform and private platform. In our open platform transactions, we have separate agreements with demand partners and suppliers and have control over the Consumer Referrals that are sold to our demand partners. In our private platform transactions, demand partners and suppliers contract with one another directly, and we earn fees from our demand and supply partners based on the Consumer Referrals transacted. For a description of these arrangements, see "Management's discussion and analysis—Key components of our results of operations—Revenue."

Our technology

Our product is a technology platform that allows insurance carriers and distributors to acquire customers and optimize customer acquisition costs to align with expected customer LTV, in a single data-rich but user-friendly environment. Our technology is what enables our growth, scale, and operating leverage and differentiates us from our competitors. It is also what enables our partners to scale their customer acquisition and monetization, or both, efficiently and with minimal operating overhead. With over 79 million paid transactions on our platform in 2020, we believe we offer the largest source of Consumer Referrals in the insurance sector.

Our product is a robust and real-time customer acquisition and predictive analytics platform. It is fueled by rich, anonymized consumer data through extensive data integrations. At the heart of our platform is a set of proprietary predictive analytics algorithms that incorporate hundreds of variables to generate conversion probabilities for each unique consumer, enabling our partners to align customer acquisition costs with expected customer LTV across the platform.

Our platform architecture is elegant, scalable, and vertical agnostic, which has enabled us to innovate rapidly in our core insurance verticals and grow opportunistically across sectors with similarly attractive attributes. We continuously invest in our technology and believe that our focus on innovation enhances our competitive position.

We believe the following attributes collectively differentiate the MediaAlpha technology platform:

Multiple high-quality Consumer Referrals accessible through a single platform with transparent pricing and control. Most insurance carriers and distributors today have multiple sources for customer acquisition. These sources offer a wide range of Consumer Referral quality and, in most cases, must be managed manually and separately by insurance carriers. Our platform allows users to access multiple sources of Consumer Referrals made available by us transparently through a unified platform with a single sign-on, creating scale and operational efficiencies.

Proprietary user data integrated in a secure environment. Our platform allows buyers to fully integrate first-party consumer data to enhance targeting parameters, bidding granularity, and conversion tracking, resulting in more accurate customer acquisition and lifetime value predictions. We maintain robust data security protections and preserve the confidentiality of each insurance carrier's customer acquisition strategy. We are able to seamlessly aggregate this data across all of our users to enhance our predictive analytics model while maintaining end-consumer confidentiality. We believe this has allowed us to continue strengthening our rich consumer database and analytics platform and maintain strong relationships with our partners.

Robust data science tools to optimize customer acquisition. Our unique search and conversion datasets enable automated, algorithmic customer acquisition optimizations. As our platform grows and processes more customer acquisition transactions, we gather more conversion data to further refine our predictive analytics algorithms. This further enhances our platform's capability to predict our partners' expected return per consumer and support more efficient customer acquisition strategies. We believe this creates a flywheel effect by which the attractiveness and value of our platform will grow as we continue to scale.

Self-service model. We offer a self-service model that empowers our partners to directly manage the buying and selling process independently. Supply partners can easily manage their digital consumer traffic on our platform, while demand partners can direct their consumer acquisition spend in real time with minimal involvement from our team. We believe this enables us to scale efficiently without requiring significant investments in sales and support functions.

Highly extensible and scalable platform. Our platform and industry-agnostic technology enables us to quickly expand our operations into existing and adjacent verticals with minimal investments. We have organically scaled the property & casualty insurance vertical and the health and life insurance verticals to $550 million and $218 million in Transaction Value for the year ended December 31, 2020, respectively. While our focus remains on insurance, we will continue to grow opportunistically in sectors with similar, attractive market fundamentals. We believe our proprietary technology will allow us to react nimbly to growing demands and opportunities in emerging verticals.

Our target audience

Our buyers: Our demand partners are insurance carriers and distributors looking to target high-intent consumers deep in their purchase journey. Repeat buyers continue to be a strong driver of our growth, with

96.7% of our Transaction Value for 2020 driven by repeat buyers from 2019 (with Transaction Value from such repeat buyers increasing 39.6% in 2020). Annual spend per demand partner on our platform who contribute over $1 million in Transaction Value annually has continued to increase from $6.0 million in 2019 to $9.0 million in 2020.

Our value proposition for buyers

- ***Efficiency at scale.*** We believe we operate the insurance industry's largest customer acquisition platform, delivering the volume insurance companies need to drive meaningful business results, while also providing precise targeting capabilities to ensure they connect with the right prospects. We believe this gives our demand partners the ability to realize greater efficiencies relative to other customer acquisition channels.
- ***Granular and transparent control.*** Our platform allows for real-time, granular control and full-source transparency with every buying and pricing decision. We believe this gives our buyers the flexibility they need to realize favorable lifetime value relative to customer acquisition costs to maximize their revenue opportunities.
- ***Unparalleled partnership.*** With a fully managed service option, custom integrations, and industry-leading technology, we are dedicated to providing long-term value to our buyers' businesses. We have designed our platform to put the best interests of our partners first, fostering a healthy ecosystem within which buyers can transact with confidence.

Our Sellers: Our supply partners use our platform to monetize their digital consumer traffic. Our supply partners are primarily insurance carriers looking to maximize the value of non-converting or low LTV consumers, and insurance-focused research destinations looking to monetize high-intent customers. Repeat sellers continue to be a strong driver of our growth, with 97.9% of our Transaction Value for 2020 driven by repeat sellers from 2019 (with Transaction Value from such repeat sellers increasing 73.2% in 2020). Annual spend per supply partner who contribute over $1 million in Transaction Value annually on our platform has continued to increase from $7.8 million in 2019 to $11.9 million in 2020.

Our value proposition for sellers

- ***Yield maximization.*** Our proprietary technology platform provides sellers with a suite of optimization tools, as well as inventory and buyer management features that maximize competition for, and yield from, their high-intent consumers.
- ***Predictive analytics.*** Through our platform's advanced predictive analytics features, sellers can assess conversion probabilities and expected customer LTV for every consumer in real time. We believe the integration of these data science models with our sellers' user experience decision engines is a unique differentiator of our business.
- ***Real-time insights.*** We provide our sellers with unique data as to the type of consumer segments each buyer values. By providing in-depth reporting and real-time, granular insights, our sellers have the ability to continuously optimize their own customer acquisition and monetization decisions.

Our End Consumers: Our end consumers are primarily high-intent, online insurance shoppers. Due to the broad participation of top-tier insurance carriers within our ecosystem, consumers are able to more efficiently navigate a range of options and offers relevant to their policy searches. Through December 31, 2020, an average of 31 million consumers shopped for insurance products monthly through the websites of sellers on our platform and our proprietary websites.

Our value proposition for end consumers

- ***Search relevancy.*** By enabling insurance carriers and distributors to apply sophisticated targeting, we facilitate the delivery of hyper-relevant product options to our end consumers based on consumer-provided demographics and other relevant characteristics. We believe this improves the overall research and purchase experience and allows our end consumers to make better real-time decisions.
- ***Shopping efficiency.*** We facilitate access to the most relevant products for each respective end consumer, allowing for minimal research and maximum efficiency, through an omni-channel, seamless consumer platform experience. We enable consumers to comparison shop and interact with insurance carriers and distributors through multiple mediums, including directly online or offline.

Our strengths

We believe that our competitive advantages are based on the following key strengths:

- ***Highly scalable, innovative technology platform with rich data.*** Our proprietary platform is built to be highly extensible and flexible, enabling us to quickly and efficiently develop custom solutions and tools to address the varying and evolving needs of our partners. Supported by our predictive analytics algorithms, our platform is able to provide continuous, real-time feedback and insights that buyers use to maximize the value of every consumer opportunity. Our deep data integrations allow our buyers to utilize millions of anonymized data points to target and acquire their desired customers with a unique level of precision and control. As of December 31, 2020, there were over 380 insurance supply partners on our platform. We also provide our supply partners with sophisticated, data-driven yield management and monetization capabilities. We believe these capabilities are critical to our partners' monetization strategies, as they enable optimization of business performance and revenue. Our platform is vertical agnostic, allowing us to expand into new markets with attractive attributes.

  The increased participation in our technology-driven platform will continue to generate valuable data, enhance feedback loops, and drive stronger results for all participants in the ecosystem. We believe this creates a flywheel effect as our platform grows.
- ***Superior operating leverage.*** We designed our business to be highly scalable, driving sustainable long-term growth that delivers superior value to both demand and supply partners. Our technology enables us to grow in a highly capital efficient manner, with minimal need for working capital or capital expenditure investment. In 2020, we employed 100 individuals on average who drove $815.7 million of Transaction Value ($8.2 million per employee), $10.6 million of net income ($0.1 million per employee), and $58.1 million of Adjusted EBITDA ($0.6 million per employee) for the year, reflecting the high operating leverage of our platform.
- ***Sticky, tenured relationships with insurance carriers and distributors.*** We have developed multi-faceted, deeply-integrated partnerships with insurance carriers and distributors, who are often both buyers and sellers on our platform. We enable insurance carriers and distributors as buyers to optimize customer acquisition spend by offering source-level transparency, granular controls, and predictive tools to drive measurably superior performance. When we work with these same carriers and distributors as sellers, we enable them to use data science to maximize value from consumers by turning high-intent policy shoppers unlikely to convert with that specific carrier or distributor into highly valuable Consumer Referrals for other carriers or distributors.

  We believe the versatility and breadth of our offerings, coupled with our focus on high-quality products, provide significant value to insurance carriers and distributors, resulting in strong retention rates. As a result, many insurance carriers and distributors use our platform as their central hub for broadly managing digital customer acquisition and monetization.

Our relationships with our partners are deep, long standing, and involve the top-tier insurance carriers in the industry. In terms of buyers, 15 of the top 20 largest auto insurance carriers by customer acquisition spend are on our platform. In 2020, 96.7% of total Transaction Value executed on our platform came from demand partner relationships from 2019. Approximately half of our supply partners have been on our platform since 2016.

- ***Culture of transparency, innovation, and execution.*** Since inception, our co-founders have led with the vision of bringing unparalleled transparency and efficiency to the online customer acquisition ecosystem, executed through a powerful technology-enabled platform. Transparency is built into our platform and is at the heart of our culture, enabling us to focus on sustainable long-term success over near-term wins. We are relentless about continuous innovation and aim to use our platform to solve big industry-wide problems. We are data-driven and focused on delivering measurable results for our partners. We believe that our long-term vision, dedication to solving systemic problems in the industry, and our relentless drive to improve will continue to empower us to be the platform of choice for our partners.

Our growth opportunities

We intend to grow our business through the following key areas:

- ***Increase Transaction Value from our partners.*** We aim to increase overall Transaction Value from our partners across our insurance verticals by continuously improving the volume and accuracy of customer conversion data, eliminating friction between consumer handoffs, and developing additional tools and features to increase engagement. We believe that providing our platform participants with better value and a larger selection of high-quality Consumer Referrals over time will lead to increased spending on our platform.
- ***Improve ecosystem efficiency.*** We believe that traditional customer acquisition models are highly inefficient, charging platform users inflated prices while lacking the transparency and granularity to allow participants to reach end consumers effectively. We were founded to disrupt and address these systemic inefficiencies and will continue to do so by enhancing automated buying strategies and granular price discovery processes. We will continue to expand our platform and drive value for all participants within the ecosystem by increasing the data integration with our partners into our platform.
- ***Bring new partners to our platform.*** There are potential buyers and sellers who are not yet using our platform. We intend to gain adoption of our platform with new insurance partners through business development, word-of-mouth referrals, and inbound inquiries.
- ***Grow our product offerings.*** We are constantly exploring new ways to deliver value to our partners through development of new tools and services and improvement of our conversion analytics model. We believe that providing further customized solutions and higher touch services for our partners will enhance the stickiness of our offerings and drive more customer acquisition spend and users to our platform.
- ***Deepen our relationships with agents.*** We intend to strategically expand our insurance agency relationships to capture additional customer acquisition spend within our core insurance verticals. We have a dedicated team working to incorporate agents into our digital platform and help them expand their customer acquisition capabilities. We generated over 79 million Consumer Referrals in the year ended December 31, 2020, equipping us with valuable conversion insights to help us optimize consumer routing to agents based on their desired goals. This dedicated team will continue to enhance our agency capabilities.

- ***Expand into and scale new verticals.*** While we have primarily focused our efforts on growing our core insurance verticals, we continue to seek expansion opportunities in markets that share similar characteristics. For example, we entered the health insurance and life insurance markets in 2014, and were able to scale to $217.7 million in Transaction Value for the year ended December 31, 2020, representing 38.5% year over year growth. We believe our vertical-agnostic platform and established playbook for entering new markets will allow us to capture attractive market opportunities effectively.

Our competition

We operate in the broadly defined tech-enabled insurance distribution sector. We are part of a sector that is disrupting the conventional agent-based insurance distribution channels. This sector is comprised of companies engaged in varied aspects of customer acquisition. On one end of the spectrum, there are companies that are engaged in simple Consumer Referrals acquisition. These Consumer Referrals are delivered to the insurance carriers or distributors. On the other end of the spectrum, there are companies that acquire the customer through digital channels and take them through the entire needs-based assessment and policy application and submission process.

Within this sector, our closest competitors are technology companies engaged in digital customer acquisition. Traditional digital consumer acquisition models focus on serving buyers of Consumer Referrals by acquiring consumers on behalf of insurance carriers from paid search, proprietary websites or other digital avenues. Our model is different. We operate a transparent, results-driven platform where sophisticated demand and supply partners transact on high-quality Consumer Referrals. We compete on the basis of a number of factors, including return on investment, technology, and client service.

Our platform also offers DTC digital spend optimization capabilities that compete primarily with home grown systems that buyers use to aggregate multiple sources of digital customer acquisition. As the number of digital consumer acquisition sources grows, the complexity and cost of managing those sources continues to increase. As a result, we are seeing significant increases in the frequency and customer acquisition spend of participants on our platform, further enhancing our scale and return on investment to all our partners. We have deep integrations with our partners that cost time and money. We believe our growing scale makes it hard for new entrants to gain direct access to buyers and sellers and replicate what we have built over the years.

Intellectual property

The protection of our technology, intellectual property and proprietary rights is an important aspect of our business. We rely on a combination of trade secret, trademark and copyright laws, confidentiality agreements, and technical measures to establish, maintain and protect our intellectual property rights and technology. Additionally, we enter into confidentiality and invention assignment agreements with our employees and enter into confidentiality agreements with third parties, including our buyers and sellers. However, our contractual provisions may not always be effective at preventing unauthorized parties from obtaining our intellectual property and proprietary technologies. Intellectual property laws, procedures, and restrictions provide only limited protection and any of our intellectual property or proprietary rights may be challenged, invalidated, circumvented, infringed, misappropriated or otherwise violated. Further, the laws of certain countries do not protect intellectual property or proprietary rights to the same extent as the laws of the U.S., and, therefore, in certain jurisdictions, we may be unable to protect our proprietary technology.

Our in-house know-how is an important element of our intellectual property. The development and management of our platform requires sophisticated coordination among many specialized employees. We believe that duplication of this coordination by competitors or individuals seeking to copy our platform would be difficult. The risk of a competitor effectively replicating the functionality of our platform is further mitigated by the fact that our service offerings are cloud-based such that most of the core technology operating on our systems is never exposed to a user or to our competitors. To protect our technology, we implement multiple layers of security. Access to our platform, other than to obtain basic information, requires system usernames and passwords. We also add additional layers of security such as dual-factor authentication, encryption in transit and intrusion detection.

See “Risk factors—Risks related to our intellectual property rights and our technology.”

Regulation

Various aspects of our business are, may become, or may be viewed by regulators from time to time as subject, directly or indirectly, to U.S. federal, state and foreign laws and regulations. We are subject to laws and regulations that apply to businesses in general, such as those relating to worker classification, employment, payments, worker confidentiality obligations, consumer protection and taxation. As an online business, we are also subject to laws and regulations governing the internet, such as those relating to intellectual property ownership and infringement, trade secrets, the distribution of electronic communications, search engines and internet tracking technologies, and could be affected by potential changes to laws and regulations that affect the growth, popularity or use of the internet, including with respect to net neutrality and taxation on the use of the internet or e-commerce transactions.

Because we collect, process, store, share, disclose, transfer and use consumer information and other data and engage in marketing and advertising activities via the phone, email and text messages, we are also subject to laws and regulations that address privacy, data protection and collection, storing, sharing, use, disclosure, retention, security, protection transfer and other processing of personal information and other data, including the California Online Privacy Protection Act, the CCPA, the Personal Information Protection and Electronic Documents Act, the CAN-SPAM Act, CASL, the TCPA, HIPPA, Section 5(c) of the Federal Trade Commission Act, the GDPR, supplemented by national laws (such as, in the United Kingdom, the Data Protection Act 2018) and further implemented through binding guidance from the European Data Protection Board, the EU’s e-Privacy Directive, which is expected to be replaced by the EU’s e-Privacy Regulation, which is still under development and will replace current national laws that implement the ePrivacy Directive. The burdens imposed by these and other laws and regulations that may be enacted, or new interpretation of existing laws and regulations, may require us to modify our data processing practices and policies and to incur substantial costs in order to comply. We take a variety of technical and organizational security measures and other measures to protect our data, including data pertaining to our end consumers, employees and business partners. Despite measures we put in place, we may be unable to anticipate or prevent unauthorized access to such data.

A substantial majority of the insurance carriers using our platform are property & casualty insurance carriers, health insurance carriers or life insurance carriers. As a result, we are indirectly affected by laws and regulations relating to the insurance and healthcare industries, both of which are heavily regulated. For example, the PPACA and related regulatory reforms have materially changed the regulation of health insurance. While it is difficult to determine the impact of potential reforms on our future business, it is possible that such changes in industry regulation could affect demand for our platform.

Because the laws and regulations governing the internet, privacy, data security, marketing, insurance and healthcare are constantly evolving and striving to keep pace with innovations in technology and media, it is possible that we may need to materially alter the way we conduct some parts of our business activities or be prohibited from conducting such activities altogether at some point in the future. See “Risk factors—Risks related to laws and regulation.”

Employees

We are committed to attracting and retaining the brightest and best talent, so investing in human capital is critical to our success. The employee traits we value include hands-on work no matter what the experience level, intellectual curiosity, open-mindedness, growth mindset, and deeply caring about the quality of work. As of December 31, 2020, we had 117 full-time employees. The human capital measures and objectives that we focus on in managing our business include employee safety, talent acquisition and retention, employee engagement, development and training, diversity and inclusion, and compensation and pay equity. None of our employees are represented by a collective bargaining unit or are a party to a collective bargaining agreement.

Employee Engagement and Development

Our employee engagement efforts include our frequent and transparent “all-hands” meetings and executive communications, through which we aim to keep our employees well-informed and to increase transparency. We believe in continual improvement and use employee feedback to drive and improve processes that support our customers and ensure a deep understanding of our employees’ needs. We conduct annual confidential employee surveys and believe that ongoing performance feedback encourages greater engagement in our business and improves individual performance. Each quarter, our employees participate in a 360-degree evaluation process to identify critical capabilities for development and establish new stretch goals.

We seek to achieve our business objectives through a deep commitment to talent development. Our talent development efforts include quarterly goals, weekly “lunch and learn,” individualized professional development plans, management training, internal workshops, quarterly guest speakers, and quarterly book clubs related to enhancing business skills.

Objectives and Key Results are used to drive our business strategy. All our teams participate in an annual strategic planning process to identify objectives for business growth and innovation. Our teams and employees set goals quarterly to achieve the Company’s annual objectives.

Pay Equity

Our employee compensation strategy supports three primary objectives: attract and retain the best team members, reflect and reinforce our most important values, and align team member interests with shareholder interests in building enduring value. We believe people should be paid for what they do and how they do it, regardless of their gender, race, or other personal characteristics. To deliver on that commitment, we benchmark and set pay ranges based on market data and consider factors such as an employee’s role and experience, the location of their job, and their performance. We also regularly review our compensation practices, both in terms of our overall workforce and individual employees, to ensure our pay is fair and equitable.

COVID-19 and Employee Safety

During the COVID-19 pandemic, our primary focus has been on the safety and well-being of our employees and their families. Our pandemic efforts include leveraging the advice and recommendations of infectious disease experts to establish proper safety standards and secure appropriate levels of personal protective equipment. Our offices continue to be closed due to the pandemic. As our employees continue to work remotely, we offer benefits such as internet reimbursement, office supply purchasing, flexible work schedules, and access to other tools to ease the stress of working from home.

Facilities

Our principal executive office is located in Los Angeles, California. In addition to our Los Angeles office, we operate from two other offices located in Redmond, Washington and Tampa, Florida. We lease each of our offices. We believe that our current facilities are adequate to meet our immediate needs.

Legal proceedings

From time to time we are a party to various litigation matters incidental to the conduct of our business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, prospects, financial condition, liquidity, results of operation, cash flows or capital levels.

Management

Executive Officers

The following table sets forth information as of the date hereof regarding individuals who serve as our executive officers:

Name	Age	Position
Steven Yi	50	Chief Executive Officer, President, and Co-Founder
Eugene Nonko	40	Chief Technology Officer and Co-Founder
Ambrose Wang	42	Co-Founder
Tigran Sinanyan	38	Chief Financial Officer and Treasurer
Keith Cramer	40	Senior Vice President, Supply Partnerships
Amy Yeh	42	Senior Vice President, Technology
Brian Mikalis	46	Senior Vice President, Demand Partnerships
Robert Perine	38	Vice President, Product
Serge Topjian	36	Vice President, Media Buying
Jeff Sweetser	37	Vice President, Supply Partnerships
Lance Martinez	49	General Counsel and Secretary

Steven Yi, 50, has served as the Chief Executive Officer of the Company since June 2011. Prior to joining the Company, Mr. Yi co-founded and served as the Chief Executive Officer of Fareloop LLC, a travel comparison website, from 2009 to 2011, and served as Senior Vice President and General Manager, Marketing Services, at Oversee.net, a technology-driven media company that owned and operated a portfolio of consumer and business-to-business properties, from 2007 to 2009. Mr. Yi received his undergraduate degree in East Asian Studies from Harvard University and his J.D. from Harvard Law School.

Eugene Nonko, 40, has served as the Chief Technology Officer of the Company since June 2011. Prior to joining the Company, Mr. Nonko served as Vice President, Research and Development at Oversee.net, a technology-driven media company that owned and operated a portfolio of consumer and business-to-business properties, from 2004 to 2010, and served as a Software Engineer at Microsoft, a leading multinational technology company, from 2001 to 2004. Mr. Nonko received his B.S. and M.S. in Information Technology and Economics from Altai State Technical University.

Ambrose Wang, 42, has served as Co-Founder of the Company since June 2011. Prior to joining the Company, Mr. Wang co-founded Fareloop, LLC, a travel comparison website, from 2009 to 2011, and served as Executive Producer at Oversee.net, a technology-driven media company that owned and operated a portfolio of consumer and business-to-business properties, from 2006 to 2009. Prior to that, Mr. Wang founded Imigis Consulting, an online marketing services company, from 2001 to 2006. Mr. Wang received his undergraduate degree in Computing from Oxford University.

Tigran Sinanyan, 38, has served as the Chief Financial Officer of the Company since August 2015 and previously served as Vice President, Finance, of the Company, from January 2012 to August 2015. Prior to joining the Company, Mr. Sinanyan served as Senior Manager, Corporate Development and Finance, at Oversee.net, a technology-driven media company that owned and operated a portfolio of consumer and business-to-business properties, from 2007 to 2012. Prior to that, Mr. Sinanyan served as Manager of Strategy and Corporate Development at Lexicon Marketing, a direct response TV marketer of products and services to the U.S. Hispanic market, from October 2005 to October 2007. Mr. Sinanyan received his undergraduate degree in Business Administration from the University of California, Berkeley, Haas School of Business.

Keith Cramer, 40, has served as Senior Vice President, Supply Partnerships, of the Company since March 2014. Prior to joining the Company, Mr. Cramer served as a Vice President at Vantage Media, an advertising technology company that specialized in online customer acquisition in the insurance and education verticals, from 2012 to 2014. Prior to that, Mr. Cramer served at QuinStreet, an online performance marketing company that provides online platform solutions to match consumers with brands in digital media, as Senior Director, Insurance, from 2010 to 2012, as Director, Insurance, from 2009 to 2010, and as Senior Manager, SureHits Publishing, from 2008 to 2009. Mr. Cramer received his undergraduate degree in Management and Economics from the University of Florida, Warrington College of Business Administration and his M.B.A. from Oklahoma Christian University.

Amy Yeh, 42, has served as Senior Vice President, Technology, of the Company since January 2019 and Vice President, Engineering, of the Company from March 2015 to December 2018. Prior to joining the Company, Ms. Yeh served as the Chief Technology Officer at Wedge Buster, a gaming company specializing in sports gaming and fantasy sports on social networks and mobile platforms, from 2011 to 2015, and served as the Chief Product Officer at Federated Media Publishing, a digital content and marketing company that delivers advertising opportunities and engagement tools to reach agencies' and brands' target audiences, from 2010 to 2011. Prior to that, Ms. Yeh served as Senior Vice President, New Media and Digital Technology at STAR TV, a premier satellite television broadcaster in Asia, from 2008 to 2009. Ms. Yeh received her undergraduate degree in Computer Science and Integrated Biology from the University of California, Berkeley.

Brian Mikalis, 46, has served as Senior Vice President, Demand Partnerships, of the Company since March 2020. Prior to joining the Company, Mr. Mikalis served as Senior Vice President, National Sales, at Firefly, a marketing company that installs and sells digital advertising on displays mounted to the tops of taxi and rideshare vehicles, from 2019 to 2020. Prior to that, Mr. Mikalis served at Pandora, a leading music and podcast discovery platform, as Senior Vice President, Monetization and Mid-Market Sales, from 2012 to 2018 and as Vice President, Performance, Inside and Local Sales, from 2009 to 2012. Mr. Mikalis received his undergraduate degree in Economics from the University of California, Santa Barbara and his M.B.A. from Saint Mary's College of California.

Robert Perine, 38, has served as Vice President, Product, of the Company since August 2017. Prior to joining the Company, Mr. Perine served in Product Management at OpenX, a programmatic advertising technology company that optimizes a company's advertising revenue, from 2015 to 2017, and served as Senior Manager, Product Management, at Demand Media, an online content company that operates brands including eHow, livestrong.com and Society6, from 2009 to 2015. Mr. Perine received his undergraduate degree in Computer Science from University of Southern California.

Serge Topjian, 36, has served as Vice President, Media Buying, of the Company since January 2018 and Vice President, Paid Media, of the Company from May 2013 to January 2018. Prior to joining the Company, Mr. Topjian served as Senior Manager, Search Engine Marketing, at LegalZoom, a technology platform that provides access to professional legal advice, from 2013 to 2015, and served as Manager, Search Engine Marketing, at Oversee.net, a technology-driven media company that owned and operated a portfolio of consumer and business-to-business properties, from 2008 to 2011. Mr. Topjian received his undergraduate degree in Business Administration, Economics and Management from California State University, Northridge.

Jeff Sweetser, 37, has served as Vice President, Supply Partnerships, of the Company since January 2020, and as a Senior Director, Supply Partnerships, of the Company since October 2015. Prior to joining the Company, Mr. Sweetser served as a Senior Director at Katch, an advertising technology company that specialized in online customer acquisition in the insurance and education verticals, from 2014 to 2015, as a Director from 2013-2014, and as Senior Manager from 2012-2013. Prior to that, Mr. Sweetser served at Inflection, a big data company as a Senior Manager, Affiliate Sales, from 2011 to 2012. Mr. Sweetser received his undergraduate degree in Marketing from Santa Clara University, the Leavey School of Business.

Lance Martinez, 49, has served as General Counsel of the Company since December 2017. Prior to joining the Company, Mr. Martinez served as a Partner at Invictus Advisors, a boutique business consultancy and law firm focused on providing services to entrepreneurial companies, from 2011 to 2017. Mr. Martinez served at Oversee.net, a technology-driven media company that owned and operated a portfolio of consumer and business-to-business properties, as General Counsel, Domain Services, from 2009 to 2011 and as General Manager, Domain Management, from 2007 to 2009. Mr. Martinez received his undergraduate degree in Economics from the University of California, Davis and his J.D. from Yale Law School.

Composition of the Board of Directors

Our Board of Directors consists of nine members. The following table sets forth information as of the date hereof regarding individuals who serve as members of our Board of Directors:

Name	Age	Position	Committee memberships
Venmal (Raji) Arasu	51	Director	Audit Committee, Compensation Committee
Anthony Broglio	46	Director	Compensation Committee
Christopher Delehanty	38	Director	Audit Committee
David Lowe	60	Director	Nominating & Corporate Governance Committee
Jennifer Moyer	49	Director	Compensation Committee, Nominating & Corporate Governance Committee
Eugene Nonko	40	Director, Chief Technology Officer, and Co-Founder	—
Lara Sweet	46	Director	Audit Committee, Compensation Committee
Kathy Vrabeck	57	Director and Chair of the Board	Nominating & Corporate Governance Committee
Steven Yi	50	Director, Chief Executive Officer, President, and Co-Founder	Nominating & Corporate Governance Committee

Venmal (Raji) Arasu, 51, was appointed director of the Company upon the completion of the IPO. Ms. Arasu is currently Senior Vice President, Intuit Platform of Intuit Inc., a business and financial software company that develops and sells financial, accounting, tax preparation software, and related services for small businesses, accountants, and individuals. Ms. Arasu previously served as the Chief Technology Officer for StubHub, Inc., the online and mobile ticketing marketplace subsidiary of eBay Inc., from November 2011 to January 2016. At eBay, she served as the Vice President of Engineering from 2008 to 2011, and in other positions of increasing authority from 2001 to 2008. She has served as one of NIC Inc.'s directors since 2015. Ms. Arasu holds a B.S. in

Computer Engineering from Pune University, Pune, India. Ms. Arasu is qualified to serve on the Board of Directors because of her engineering expertise in technology, business strategy, and management experience.

Anthony Broglio, 46, was appointed director of the Company in July 2020 and prior to the IPO served as director of QL Holdings LLC. Mr. Broglio is a founding Partner at Insignia, a San Francisco Bay Area private equity firm focused on lower middle-market companies. Insignia has owned a minority stake in QL Holdings LLC since the Insignia transaction in 2019 and is a stockholder of the Company. Prior to founding Insignia in 2012, Mr. Broglio worked as a Principal and member of the executive committee of Lake Capital, a Chicago-based private equity fund with over $1.3 billion under management. During his more than nine years with Lake Capital, Mr. Broglio served on the boards of twelve portfolio companies. Mr. Broglio received a B.S. in Finance from the University of Colorado and an M.B.A. with Honors from the University of Chicago Booth School of Business. Mr. Broglio is qualified to serve on our Board of Directors because of his financial expertise and management experience.

Christopher Delehanty, 38, was appointed director of the Company in July 2020 and prior to the IPO served as a director of QL Holdings LLC. Mr. Delehanty is Head of Corporate Development and M&A at White Mountains, where he focuses on the company's direct investing and merger and acquisition activity in the insurance and financial services sectors. White Mountains has owned a stake in QL Holdings LLC since 2014 and is a stockholder of the Company. Prior to joining White Mountains in 2009, Mr. Delehanty worked in private equity and investment banking at Alta Communications and UBS Investment Bank. Mr. Delehanty currently sits on the board of NSM Insurance Group, a full-service MGU and program administrator for specialty property & casualty insurance. Mr. Delehanty received his B.S. in Finance from Boston College. Mr. Delehanty is qualified to serve on our Board of Directors because of his financial expertise and management and board experience.

David Lowe, 60, was appointed director of the Company upon the completion of the IPO. Mr. Lowe is a founding Partner and Chief Executive Officer of Insignia, a San Francisco Bay Area private equity firm focused on lower middle-market companies. Insignia has owned a minority stake in QL Holdings LLC since the Insignia transaction in 2019 and is a stockholder of the Company. Prior to that, Mr. Lowe was a co-founder and Vice Chairman of Friedman Fleischer & Lowe, a San Francisco-based private equity firm with over $2.5 billion under management. During his 13 years at Friedman Fleischer & Lowe, Mr. Lowe was on the Investment Committee and served as Chairman of the boards of Guardian Home Care Holdings, Discovery Foods, Church's Chicken, Benevis, GeoVera Insurance Group Holdings, and Advanced Career Technologies, as well as a director at DPMS, SteelPoint Technologies, and Korn/Ferry International. Mr. Lowe currently serves as Chairman on the boards of Truco Enterprises, Tillamook Country Smoker, and Century Snacks. Mr. Lowe received a B.A. with Honors from the University of California at Davis and an M.B.A. from the Stanford Graduate School of Business. Mr. Lowe is qualified to serve on our Board of Directors because of his financial expertise and management experience.

Jennifer Moyer, 49, was appointed director of the Company upon the completion of the IPO and serves as the chair of the Compensation Committee. Ms. Moyer has been the Chief Administrative Officer of White Mountains, a financial services holding company, since 2017. White Mountains has owned a stake in QL Holdings LLC since 2014 and is a stockholder of the Company. Prior to joining White Mountains, Ms. Moyer worked at Goldman Sachs for 23 years in a variety of leadership roles including Chief of Staff for Asia Pacific Ex-Japan and Managing Director in Human Capital Management for Asia Pacific. Ms. Moyer received a B.A. in Social Anthropology from Harvard College and an M.B.A. from the Tuck School of Business at Dartmouth. Ms. Moyer is qualified to serve on our Board of Directors because of her extensive experience as a senior executive with management expertise, as well as her human capital management and corporate governance experience.

Lara Sweet, 46, was appointed director of the Company upon the completion of the IPO and serves as the chair of the Audit Committee. Ms. Sweet is the Chief People Officer at Snap Inc., a camera company and owner of the application Snapchat. Ms. Sweet has served in that role since May 2019. Prior to that, Ms. Sweet served as Snap

Inc.'s interim Chief Financial Officer from January 2019 to May 2019, Chief Accounting Officer from October 2017 to September 2019, and as Controller from June 2016 to October 2017. Prior to Snap, Ms. Sweet worked at AOL, Inc. for over six years, most recently serving as Controller and Chief Accounting Officer from November 2014 to June 2016. Prior to that, Ms. Sweet served as AOL's Vice President, Internal Audit from April 2014 to November 2014 and Vice President, Assistant Controller from August 2011 to April 2014. Ms. Sweet holds a B.S. in Accounting from George Mason University and is a member of the American Institute of Certified Public Accountants. Ms. Sweet is qualified to serve on our Board of Directors because of her financial expertise and management experience.

Kathy Vrabeck, 57, was appointed director of the Company upon the completion of the IPO and serves as the chair of our Board of Directors as well as the chair of the Nominating & Corporate Governance Committee. Ms. Vrabeck is a Senior Client Partner in the Los Angeles office of Korn Ferry, a global talent and organizational advisory firm, where she leads Korn Ferry's Consumer Digital sector. Prior to joining Korn Ferry in October 2015, she was a Partner at Heidrick & Struggles International, Inc., an executive search firm, where she served as both Global Sector Leader of their Media, Entertainment and Digital practice and partner-in-charge of the Los Angeles office. Prior to that, Ms. Vrabeck was with Legendary Entertainment, a media company, from March 2009 to March 2011 where she served as President, Legendary Digital and was responsible for the creation, management and delivery of digital entertainment, with a focus on video games, across current and next-generation platforms. From May 2007 to November 2008, Ms. Vrabeck was with Electronic Arts, Inc., a developer, marketer, publisher and distributor of video games ("EA"), where she served as President, EA Casual Entertainment. Ms. Vrabeck serves as Chair of the GameStop (NYSE:GME) board of directors. Ms. Vrabeck received a bachelor's degree in French and economics from DePauw University and an M.B.A. from Indiana University. Ms. Vrabeck is qualified to serve on our Board of Directors because of her expertise in digital media and her management and board experience.

Election of directors

Our Board of Directors is divided into three classes, each of which is composed of three directors. The directors designated as Class I directors have terms expiring at the first annual meeting of stockholders following the completion of the IPO, which we expect to hold in 2021. The directors designated as Class II directors have terms expiring at the following year's annual meeting of stockholders, which we expect to hold in 2022, and the directors designated as Class III directors have terms expiring at the following year's annual meeting of stockholders, which we expect to hold in 2023. Commencing with the first annual meeting of stockholders following the completion of the IPO, which we expect to hold in 2021, directors for each class will be elected at the annual meeting of stockholders held in the year in which the term for that class expires and thereafter will serve for a term of three years. As a result, a portion of our Board of Directors will be elected each year. At any meeting of stockholders for the election of directors at which a quorum is present, the election will be determined by the affirmative vote of a majority of the issued and outstanding shares of common stock, voting together as one class, entitled to vote in the election.

- Our Class I directors are Anthony Broglio, Christopher Delehanty, and Eugene Nonko.
- Our Class II directors are David Lowe, Jennifer Moyer, and Steven Yi.
- Our Class III directors are Venmal (Raji) Arasu, Lara Sweet, and Kathy Vrabeck.

There is no limit on the number of terms a director may serve on our Board of Directors. In case of any increase or decrease, from time to time, in the number of directors, the number of directors in each class will be apportioned as nearly equal as possible. The division of our Board of Directors into three classes with staggered three-year terms may have the effect of discouraging, delaying or preventing a transaction involving a change in control.

Pursuant to the stockholders' agreement we entered into with White Mountains, Insignia, and the Founders in connection with the IPO, for so long as each of White Mountains, Insignia, and the Founders owns at least 12.5% of our issued and outstanding shares of common stock as of the closing of the IPO, such stockholder is entitled to nominate two directors to serve on our Board of Directors. When such stockholder owns less than 12.5% but at least 5% of our issued and outstanding shares of common stock as of the closing of the IPO, such stockholder will be entitled to nominate one director. White Mountains, Insignia, and the Founders have agreed in the stockholders' agreement to vote for each other's board nominees.

Our amended and restated bylaws provide that the authorized number of directors may only be changed by a resolution adopted by a majority of our Board of Directors, subject to the terms of our stockholders' agreement.

Under the stockholders' agreement and subject to our amended and restated certificate of incorporation, our amended and restated bylaws and applicable law, certain actions cannot be taken by us without the prior written consent of a majority in interest of White Mountains, Insignia, and the Founders, for so long as such stockholders continue to own at least a majority of the issued and outstanding shares of common stock after the completion of the IPO. These actions include, among others, increasing or decreasing the size of the board and engaging in change of control transactions. See "Organizational structure—Stockholders' agreement."

Controlled company

Certain of our existing investors that are a party to the stockholders' agreement own a majority of the voting power of our outstanding common stock. Accordingly, we are considered a "controlled company" under the NYSE rules. Under these rules, a "controlled company" may elect not to comply with certain corporate governance requirements, including the requirements that, within one year of the date of listing of our Class A common stock:

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

We intend to continue to take advantage of these exemptions for so long as we continue to qualify as a "controlled company." These exemptions do not modify the independence requirements for our audit committee, and we intend to continue to comply with the applicable requirements of the Sarbanes-Oxley Act and rules with respect to our audit committee within the applicable time frame.

Director independence

Our Board of Directors has undertaken a review of the composition of our Board of Directors, the Audit Committee, the Compensation Committee and the independence of each director on the Board of Directors. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our Board of Directors has determined that each of Venmal (Raji) Arasu, Anthony Broglio, David Lowe, Lara Sweet, and Kathy Vrabeck is "independent" as defined under the rules of the NYSE. Our Board of Directors also determined that Venmal (Raji) Arasu and Lara Sweet, who serve on our Audit Committee, satisfy the independence standards for that committee established by the SEC and the rules of the NYSE. In making such determinations, our Board of Directors considered the relationships that each such non-employee director has with our Company and all other facts and circumstances our Board of Directors deemed relevant in determining independence, including the beneficial ownership of our capital stock by each non-employee director and any institutional stockholder with which he or she is affiliated.

Board committees

Our Board of Directors has established standing committees in connection with the discharge of its responsibilities. These committees include the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Our Board of Directors may also establish such other committees as it deems appropriate, in accordance with applicable law and our corporate governance documents. A copy of each committee's charter is posted on the corporate governance section of our website, www.mediaalpha.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus or in deciding whether to purchase shares of our common stock.

Audit committee

The Audit Committee's primary responsibilities include:

- overseeing management's establishment and maintenance of adequate systems of internal accounting and financial controls;
- reviewing the effectiveness of our legal and regulatory compliance programs;
- overseeing our financial reporting process, including the filing of financial reports; and
- selecting independent auditors, evaluating their independence and performance and approving audit fees and services performed by them.

The members of our Audit Committee are Venmal (Raji) Arasu, Christopher Delehanty, and Lara Sweet. Our Board of Directors has determined that Lara Sweet is an "audit committee financial expert" as defined by applicable SEC rules.

Compensation committee

The Compensation Committee's primary responsibilities include:

- ensuring our executive compensation programs are appropriately competitive, supporting organizational objectives and stockholder interests and emphasizing pay for performance linkage;
- evaluating and approving compensation and setting performance criteria for compensation programs for our chief executive officer and other executive officers; and
- overseeing the implementation and administration of our compensation plans.

The members of our Compensation Committee are Venmal (Raji) Arasu, Anthony Broglio, Jennifer Moyer, and Lara Sweet.

Nominating and corporate governance committee

The Nominating and Corporate Governance Committee's primary responsibilities include:

- recommending nominees for our Board of Directors and its committees;
- recommending the size and composition of our Board of Directors and its committees;
- reviewing our corporate governance guidelines and proposed amendments to our certificate of incorporation and bylaws; and
- reviewing and making recommendations to address stockholder proposals.

The members of our Nominating and Corporate Governance Committee are David Lowe, Jennifer Moyer, Kathy Vrabeck, Steven Yi.

Code of business conduct and ethics

We have adopted a code of business conduct and ethics, or “Code of Ethics,” which applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. The Code of Ethics is available upon written request to our Corporate Secretary or on our website at www.mediaalpha.com. If we amend or grant any waiver from a provision of our Code of Ethics that applies to any of our executive officers, we will publicly disclose such amendment or waiver on our website and as required by applicable law.

Executive compensation

This section provides a discussion of the compensation paid or awarded to our principal executive officer and our two other most highly compensated executive officers for fiscal 2020. We refer to these individuals as our named executive officers ("NEOs"). For fiscal year 2020, our NEOs were Steven Yi, our Chief Executive Officer and Co-Founder; Eugene Nonko, our Chief Technology Officer and Co-Founder; and Tigran Sinanyan, our Chief Financial Officer.

As an "emerging growth company" as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the disclosure requirements applicable to emerging growth companies.

Summary compensation table for fiscal years 2019 and 2020

The following table sets forth the total compensation awarded to, or earned by or paid to, our NEOs with respect to fiscal years 2019 and 2020.

Name and principal position	Fiscal year	Salary ($)(1)	Bonus ($)(2)	Stock awards ($)(3)	Nonequity incentive plan compensation ($)(4)	All other compensation ($)(5)	Total ($)
Steven Yi *Chief Executive Officer and Co-Founder*	2020	512,750	—	34,917,535	675,000	8,550	36,113,835
	2019	500,000	200,000	1,893,783	600,000	8,400	3,202,183
Eugene Nonko *Chief Technology Officer and Co-Founder*	2020	534,000	—	34,917,535	675,000	8,550	36,135,085
	2019	534,000	200,000	1,893,783	600,000	8,400	3,236,183
Tigran Sinanyan *Chief Financial Officer*	2020	350,000	200,000	2,083,272	270,000	8,550	2,911,822
	2019	300,000	75,000	235,365	240,000	57,847	908,212

(1) Salary amounts shown above represent actual salary earned during the year, reported as gross earnings (*i.e.*, gross amounts before taxes and applicable payroll deductions).

(2) For Mr. Sinanyan, reflects the portion of 2020 annual cash bonus awarded for successful completion of our IPO, determined in the discretion of our Compensation Committee. The remaining portion of the NEO's 2020 annual cash bonus was tied to achievement of Company performance metrics for 2020 and is reported in the "Nonequity incentive plan compensation" column and described in footnote (4) below. Annual cash bonuses for 2020 performance will be paid in early 2021. Amounts in this column are reported as gross earnings (*i.e.*, gross amounts before taxes and applicable payroll deductions).

(3) The amounts in this column reflect the aggregate grant date fair value of time-vesting restricted stock units ("RSUs") and Class B-1 units of QL Holdings LLC granted in fiscal 2020, computed in accordance with Accounting Standards Codification topic 718 as issued by the Financial Accounting Standards Board. For a description of the assumptions used to determine the compensation cost of these awards, see note 2 to the audited financial statements included elsewhere in this prospectus. For Mr. Sinanyan, the stock awards for 2020 also include the grant of Class B-1 units of QL Holdings LLC which were received in exchange of Profits Interest Units (defined below) in the IPO reorganization.

(4) For each NEO, reflects the portion of 2020 annual cash bonus earned in respect of superior achievement of the Company's performance goal for 2020, as described under "—Elements of executive compensation—Annual cash bonuses" below. Such amounts were earned at 135% of target. Annual cash bonuses for 2020 performance will be paid in early 2021. Amounts in this column are reported as gross earnings (*i.e.*, gross amounts before taxes and applicable payroll deductions).

(5) Reflects, for each NEO, $8,550 of matching contributions under our 401(k) plan made in respect of fiscal 2020.

Outstanding equity awards at 2020 fiscal year-end

The following table sets forth information regarding outstanding equity compensation awards held as of December 31, 2020 by our NEOs.

Name	Award Type	Number of shares or units that have not vested (#)(1)	Market value of shares or units that have not vested ($)(3)
Steven Yi	RSUs	1,837,765	72,444,696
Eugene Nonko	RSUs	1,837,765	72,444,696
Tigran Sinanyan	RSUs	91,888	3,622,225
	Class B-1 units	76,190(2)	3,003,410
	Class B-1 units	29,507(2)	1,163,166

(1) Reflects the number of unvested time-vesting RSUs held, directly or indirectly, by the NEOs as of December 31, 2020. Each NEO's RSU award vests quarterly over the first three years following the grant date, beginning October 27, 2020 and ending on October 28, 2023, subject to continued employment or service with us through each vesting date.

(2) Reflects the number of Class B-1 units of QL Holdings LLC, held, directly or indirectly, as of December 31, 2020, which were received in exchange of Profits Interest Units in the IPO reorganization. As per the original award terms, all unvested Profits Interest Units were exchanged into Class B-1 units of QL Holdings LLC. The terms of Class B-1 units are described below. 25% of the Class B-1 units granted March 25, 2019 vested on April 1, 2020, which was the first anniversary of the vesting commencement date, and the remaining 75% vest ratably each month over the following 36 months (i.e., beginning on May 1, 2020 and ending on April 1, 2023). 25% of Class B-1 units granted August 6, 2020 will vest on August 31, 2021, the first anniversary of the vesting commencement date, and the remaining 75% will vest ratably each month over the following 36 months (i.e., beginning on September 31, 2021 and ending on August 31, 2024).

(3) The value is based on $39.07, the closing price of the Company's common stock on December 31, 2020.

Elements of executive compensation

Base salary

Base salaries are intended to provide a level of compensation sufficient to attract and retain an effective management team, when considered in combination with the other components of our executive compensation program. For fiscal year 2020, the relative levels of base salary for our NEOs are designed to reflect each NEO's scope of responsibility, and in the case of Messrs. Yi and Nonko, reflect the base salary rates agreed to under their respective employment agreements, described below. See the "Salary" column of Summary compensation table for fiscal years 2019 and 2020, above, for the base salary amounts received by each NEO in fiscal 2020.

Annual cash bonuses

Annual bonus compensation holds executives accountable, rewards the executives based on actual business results and helps create a "pay for performance" culture. The employment agreements for each of Messrs. Yi and Nonko provide that the executive is eligible for an annual target bonus opportunity of 100% of his base salary upon the attainment of one or more pre-established performance goals established by the Board of Directors or the Compensation Committee, in consultation with the executive. Any earned annual bonuses are generally payable as a lump sum during the calendar year following the calendar year with respect to which it is earned following completion of the annual audit of financial statements, unless otherwise approved by the Board of Directors or the Compensation Committee.

In 2020, each NEO was granted a target bonus opportunity that would be payable upon achievement of our annual Adjusted EBITDA target, as defined in "Summary consolidated financial and operating data." In light of achievement of the Adjusted EBITDA target for 2020, each NEO was awarded a cash bonus equal to 135% of the executive's target bonus. Additionally, Mr. Sinanyan was awarded a discretionary amount for successful completion of our IPO in respect of 2020 performance, which will be paid in early 2021. The following chart shows, for 2020, each NEO's target bonus opportunity, earned bonus based on Adjusted EBITDA achievement, and additional bonus awarded to Mr. Sinanyan for successful completion of our IPO:

	2020 target bonus opportunity ($)	Bonus earned for Adjusted EBITDA achievement (135% target) ($)(1)	Bonus for successful completion of IPO ($)(2)	Total 2020 bonus payment ($)
Steven Yi	500,000	675,000	—	675,000
Eugene Nonko	500,000	675,000	—	675,000
Tigran Sinanyan	200,000	270,000	200,000	470,000

(1) Bonuses earned for Adjusted EBITDA achievement are shown in the "Non-equity incentive plan compensation" column of the Summary compensation table for fiscal years 2019 and 2020 above.

(2) Bonuses awarded for successful completion of our IPO are shown in the "Bonus" column of the Summary compensation table for fiscal years 2019 and 2020 above.

Yi and Nonko employment agreements

In 2020, in connection with the IPO, the Company and QuoteLab, LLC entered into amended and restated employment agreements with Messrs. Yi and Nonko, in light of the scope and complexity of their public company roles and job responsibilities as the leaders of our business. The amended and restated employment agreements provide for compensation and severance levels that take into account the competitive market assessment prepared by the compensation consultant engaged by our Board of Directors, Compensia Inc. ("Compensia"). The executive's employment agreement sets forth his base salary and target annual bonus (equal to 100% of base salary), and provides for eligibility to participate in our employee benefit plans generally. See "—Summary compensation table for fiscal years 2019 and 2020" above for information on base salaries and annual bonuses paid to our NEOs in respect of fiscal 2020. The executive's annual base salary rate will be reviewed annually, and may be increased but not decreased.

Under the employment agreements, upon a termination of employment for any reason, the executive will be entitled to any earned but unpaid amounts, including a base salary through the date of termination; an annual bonus for any fiscal year preceding the fiscal year in which termination occurs, payable on the date bonuses are paid to our other senior executives; any unreimbursed business expenses incurred through the date of termination; any accrued but unused vacation time; and any other amounts or benefits required to be paid or provided either by law or under any employer plan or program (collectively, the "Accrued Obligations").

If the executive's employment is terminated by us without "cause" or by the executive for "good reason" (as such terms are defined in the employment agreement and described below), the executive will additionally be entitled to the following, subject to his delivery of a release of claims in favor of the Company and its affiliates and his material compliance with certain noncompetition, nonsolicitation and other restrictive covenants set forth in his amended employment agreement:

- cash severance equal to 18 months' base salary, at the rate in effect at the time of termination;
- a severance bonus for the calendar year during which the termination occurs, equal to (x) the executive's target bonus multiplied by (y) a fraction, the numerator of which is equal to the number of days worked during the calendar year plus 183 days, and the denominator of which is the total number of days in the calendar year, subject to a 12-month minimum;
- the executive will receive 18 months of service credit under the time-based equity awards he then holds; and

- employer contributions to the premium cost for COBRA coverage for the executive and his eligible dependents until the 18-month anniversary of the executive’s termination (or, if earlier, until the executive obtains other employment that offers group health benefits or is otherwise no longer eligible for COBRA coverage).

The executive will also be eligible to receive such severance if, within three months preceding or 12 months following, a change of control (as defined in the Omnibus Incentive Plan) (the “Change of Control Protection Period”), the executive’s employment is terminated due to the expiration and non-renewal by us of the term of his amended employment agreement. In addition, if during the Change of Control Protection Period, the executive’s employment is terminated by us without cause, by him for good reason, or due to the expiration and non-renewal by us of the term of his employment agreement, the executive will be entitled to full vesting of the time-based equity awards he then holds.

Under the executive’s employment agreement, “cause” generally means the executive’s:

- plea of guilty or *nolo contendere* to, or indictment for, any felony, or conviction of a crime involving moral turpitude that has had or could reasonably be expected to have a material adverse effect on the Company or any of its subsidiaries;
- commitment of an act of fraud, embezzlement, material misappropriation or breach of fiduciary duty against the Company or any of its subsidiaries;
- failure for any reason, after 10 days’ written notice, to correct or cease any refusal or intentional or willful failure to comply with the lawful, reasonably appropriate requirement of the employer;
- chronic absence from work, other than for medical reasons, or a breach of his obligation to devote his business time, attention and efforts to the business (unless approved by the Board of Directors in writing, or cured by the executive within 10 days following notice from his employer of the event);
- use of illegal drugs that has materially affected the performance of his duties (unless the event is cured by the executive within 10 days following notice from his employer of the event);
- gross negligence or willful misconduct in his duties that has caused substantial injury to the Company
- (unless the event is cured by the executive within 10 days following notice from his employer of the event); or
- breach of any non-competition, non-solicitation, and/or confidentiality provision or any material breach of any proprietary or confidential information or assignment of inventions agreement between the executive and the Company or any of its subsidiaries (unless the event is cured by the executive within 10 days following notice from his employer of the event).

Under the executive’s employment agreement, “good reason” generally means the occurrence of any of the following events without the consent of the executive, unless such events are fully corrected by the employer within 30 days following written notice, and provided that the executive gives written notice of his resignation within 30 days after his actual knowledge of the event and the executive actually terminates his employment within 30 days following the expiration of the employer’s cure period:

- reduction in the amount of the executive’s base salary rate or target bonus opportunity (other than an across-the-board reduction in the salary level or target bonus opportunities of our senior executives as a group by the same percentage amount and approved by the Board of Directors or the Compensation Committee);
- change in the executive’s titles, reporting requirements or reduction in his responsibilities materially inconsistent with the positions he holds;

- change in the executive's place of work to a location more than 25 miles from his present place of work; or
- material breach of the Company's obligations under the employment agreement.

In addition, under the amended and restated employment agreements, the executives will also be entitled to payment of any withheld distributions under QL Holdings LLC's limited liability company agreement upon any of the foregoing qualifying terminations of employment.

Sinanyan employment agreement

In connection with the IPO, the Company and QuoteLab, LLC entered into a new employment agreement with Mr. Sinanyan, setting forth his base salary, target annual bonus and severance opportunities. The Company determined that it would be appropriate to enter into a new employment agreement with Mr. Sinanyan in light of the scope and complexity of his public company role and job responsibilities as our Chief Financial Officer.

Mr. Sinanyan's new employment agreement provides for base salary, target annual bonus and severance levels that take into account the competitive market assessment prepared by Compensia. Initially, Mr. Sinanyan's annual base salary rate will be $350,000. His annual base salary rate will be reviewed annually, and may be increased but not decreased. His initial target annual bonus opportunity will be 57% of his annual base salary rate, and will be subject to the attainment of one or more pre-established performance goals.

In addition, under his new employment agreement, Mr. Sinanyan will be eligible (subject to his delivery of a release of claims in favor of the Company and its affiliates, as well as his material compliance with certain noncompetition, nonsolicitation and other restrictive covenants set forth in his employment agreement) to receive the following severance if his employment is terminated by us without "cause" or by him for "good reason" (as such terms is defined in the employment agreement and are substantially similar to the definitions in Messrs. Yi and Nonko's employment agreements):

- the Accrued Obligations;
- cash severance equal to 12 months' base salary, at the rate in effect at the time of termination;
- a prorated portion of his annual bonus for the year of termination (subject to a six-month minimum); and
- employer contributions to the premium cost for COBRA coverage for the executive and his eligible dependents until the 12-month anniversary of the executive's termination (or, if earlier, until the executive obtains other employment that offers group health benefits or is otherwise no longer eligible for COBRA coverage).

If, within three months preceding or 12 months following, a change of control (as defined in the Omnibus Incentive Plan), Mr. Sinanyan's employment is terminated (x) by us without "cause," (y) by him for "good reason," or (z) due to the expiration and non-renewal by us of the term of his employment agreement, his severance would instead equal 18 months' base salary; up to 18 months of employer contributions to the premium cost for COBRA coverage; a prorated portion of his annual bonus for the year of termination (subject to a six-month minimum); and full vesting of the time-based equity awards he then holds. Mr. Sinanyan will also be entitled to payment of any withheld distributions under QL Holdings LLC's limited liability company agreement upon any of the foregoing qualifying terminations of employment.

Benefit programs

Our NEOs are entitled to participate in the various benefit programs we offer to all of our employees, including a 401(k) plan (until December 31, 2020), medical plan, dental plan, vision plan, life insurance plan, and long-term and short-term disability plans. Under our 401(k) plan, we make safe-harbor matching contributions equal to not less than 3% of an employee's plan-eligible compensation, and may elect to make profit sharing contributions in our discretion. In fiscal year 2020, each NEO received a safe-harbor matching contribution of $8,550, and no profit sharing contributions were made to the plan.

Pre-IPO equity incentive program

Each of our NEOs received a profits interest award in QL Holdings LLC following the successful completion of our 2019 recapitalization transaction and investment from Insignia. Mr. Sinanyan received an additional profits interest award in August 2020. The award consisted of Class B units of QL Holdings LLC, which is a class of membership interests in QL Holdings LLC that allows the holder to share in the future appreciation of QL Holdings LLC's business, subject to certain vesting conditions, as described in more detail below. In connection with our reorganization in 2020, each NEO contributed, directly or indirectly, all or a portion of his Class B units of QL Holdings LLC to QL Management Holdings LLC in exchange for Class 2 Units of QL Management Holdings LLC. The Class 2 Units of QL Management Holdings LLC track the value and distributions of Class B units of QL Holdings LLC. The awards granted in 2019 and 2020 and held, directly or indirectly, by the NEOs are referred to in this prospectus as the "Profits Interest Units."

The Profits Interest Units were granted pursuant to the Amended and Restated QL Holdings LLC Class B Restricted Unit Plan. When vested, the Profits Interest Units participate in *pro rata* distributions to members of QL Holdings LLC of appreciation above a specified threshold value. The threshold value is equal to the equity value of QL Holdings LLC's business as of the grant date of the award, plus an annually compounded 8% return threshold. If QL Holdings LLC's equity were not to appreciate in value after the grant date of the award, then the Profits Interest Units would have no value. If a Profits Interest Unit is unvested at the time of any distribution to members of QL Holdings LLC, then, unless otherwise determined by the board of directors of QL Holdings LLC in its discretion, the distributions in respect of the unvested Profits Interest Unit would be held back and would be distributed to the executive if and when the Profits Interest Unit actually vests.

The Profits Interest Units were subject to a four-year vesting schedule, which required the NEO's continued service with us through the applicable vesting dates. The Profits Interest Units vest as to 25% on the first anniversary of the vesting commencement date set forth in the executive's award agreement, and the remaining 75% vest ratably each month over the following 36 months. Vesting of Profits Interest Units granted to Messrs. Yi and Nonko was accelerated as of immediately prior to the recapitalization effected in connection with the IPO reorganization. Mr. Sinanyan's Profits Interest Units, which were exchanged for the Class B-1 units of QL Holdings LLC upon the IPO reorganization remain subject to vesting on the original terms of the grant. When vested, Class B-1 units, together with corresponding shares of our Class B common stock, are exchangeable for shares of our Class A common stock. These awards continue to be governed by the terms of the Amended and Restated QL Holdings LLC Class B Restricted Unit Plan and applicable award agreement. See "Organizational structure—IPO reorganization transactions" for more information.

Under the terms of Mr. Sinanyan's Profits Interest Units, in the event of a Company Sale (as defined in QL Holdings LLC's limited liability company agreement), any unvested Profits Interest Units would become fully vested, subject to his continued employment through such date. If a Company Sale is consummated within three months following the termination of his service relationship due to death or disability, or by us without "cause" (as such term is defined in his award agreement), then (i) any Profits Interest Units held by him that were unvested at the time of such termination will become fully vested effective as of the Company Sale, and he will be entitled to receive consideration with respect to such vested units in connection with such Company Sale, and (ii) to the extent the Profits Interest Units were repurchased prior to the Company Sale, he will be paid the difference, if any, between the repurchase price paid to him and the amount he would have received for his vested units upon the Company Sale had the repurchase right not been exercised. If the Company Sale is not consummated within the specified period following death, disability or termination without cause, then any unvested units will be forfeited.

The Profits Interest Units are subject to repurchase rights upon a termination of employment (whereby QL Holdings LLC may elect to repurchase vested units for fair market value or, in the case of a termination for cause or breach of restrictive covenants, zero value); however, these repurchase rights terminate upon the earlier of a Company Sale or an initial public offering that satisfies certain proceeds and enterprise value thresholds. The repurchase rights were terminated upon the closing of the IPO.

In connection with the offering reorganization, the issued and outstanding Class B units of QL Holdings LLC (including the profits interest units held by our NEOs) were recapitalized. For more information regarding the offering reorganization and holding company structure, see "Organizational structure—IPO reorganization transactions."

Post-IPO 2020 equity incentive program

In connection with the IPO, we established an omnibus incentive plan (the "Omnibus Incentive Plan") for the benefit of our employees, officers, directors and consultants, which we will use to provide equity-based incentives to such individuals, aligning their interests with those of our stockholders, described in further detail below.

Restricted stock unit awards

In connection with the IPO, we granted RSU awards under the Omnibus Incentive Plan to certain officers, including the NEOs. Messrs. Yi and Nonko each received an RSU award covering 1,837,765 shares of our Class A common stock. Mr. Sinanyan received an RSU award covering 91,888 shares of our Class A common stock. The RSUs will vest quarterly over the first three years following the date of grant, subject to continued employment or service with us through each vesting date, with limited exceptions for (i) in the case of Messrs. Yi and Nonko, a termination of employment or service due to death or "disability," or a termination by us without "cause" or by the executive for "good reason" (as such terms are defined in their respective amended and restated employment agreements and described above), or (ii) for all awards, a change of control or certain qualifying terminations in connection with a change of control (as defined in the Omnibus Incentive Plan). Each RSU will be entitled to dividend equivalents, which will be payable in cash or shares, as determined by our Compensation Committee, if and when the underlying RSU vests.

2020 omnibus incentive plan

In 2020, in connection with the IPO, we adopted the Omnibus Incentive Plan pursuant to which equity-based and cash incentives may be granted to current or prospective directors, officers, employees, and consultants. Awards may include nonqualified stock options, incentive (qualified) stock options, stock appreciation rights, restricted share awards, RSUs, performance awards, cash incentive awards, and other equity-based awards (including deferred share units and fully vested shares), as determined by our Compensation Committee, which administers the Omnibus Incentive Plan. Our stockholders approved the Omnibus Incentive Plan prior to the closing of the IPO. Awards may be subject to clawback or forfeiture to the extent required by applicable law (including, without limitation, Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) and/or the rules and regulations of the NYSE or other applicable securities exchange, or if so required pursuant to a written policy adopted by the Company or the provisions of an award agreement.

Section 162(m) Considerations

In general, Section 162(m) of the Code denies a publicly held corporation a deduction for U.S. federal income tax purposes for compensation paid to any covered employee in excess of $1,000,000 per year. Under Section 162(m) of the Code, as amended by the Tax Cuts and Jobs Act of 2017, the term “covered employee” generally means the chief executive officer, chief financial officer and each NEO whose compensation is required to be reported for the relevant fiscal year. In December 2019, the IRS released proposed regulations under Section 162(m) of the Code, which addressed changes to the Tax Cuts and Jobs Act and, among other things, extended the coverage of Section 162(m) of the Code to include compensation paid by a partnership for services performed for it by a covered employee of a corporation that is a partner in the partnership. The proposed regulations, if they become effective in their current form, may reduce the amount of tax deductions available to the Company and its subsidiaries. Our Compensation Committee retains authority to make payments or grant awards under the Omnibus Incentive Plan or otherwise that are not fully deductible if, in its sole discretion, such payments are necessary to achieve our compensation objectives and to protect stockholder interests.

Director compensation for fiscal year 2020

The following table summarizes the compensation earned by, or awarded or paid to, those directors who, for the year ended December 31, 2020, were compensated for their service as directors. None of the other directors (*i.e.*, those not listed in the table) earned, were awarded or were paid any compensation from us for the year ended December 31, 2020, for their service as directors.

Name	Fees earned or paid in cash ($)(1)	Stock Awards ($)(2)	Total ($)
Morgan Davis	40,000	—	40,000
Venmal (Raji) Arasu	14,375	300,010	314,385
Lara Sweet	16,875	300,010	316,885
Kathy Vrabeck	18,750	300,010	318,760

(1) Reflects an annual cash retainer of $40,000, payable quarterly in arrears.

(2) Represents the aggregate grant date fair value of the RSU award granted on October 27, 2020. Three of our non-employee directors who joined our Board of Directors in connection with the IPO, Kathy Vrabeck, Lara Sweet and Venmal (Raji) Arasu, received their initial one-time equity award of $300,000 in the form of RSUs, which vests quarterly over three years following the date of grant, subject to continued services through the applicable vesting date. Each of Kathy Vrabeck, Lara Sweet and Venmal (Raji) Arasu were granted 15,790 RSUs which vests quarterly over three years, beginning on October 27, 2020 and ending on October 28, 2023.

In connection with the IPO, the Company implemented a new director compensation policy that will apply to non-employee directors. Members of our Board of Directors who are representatives of White Mountains and Insignia each agreed, subject to annual confirmation and provided that the Company remains a controlled company, to waive fees that would have been due to them under the new director compensation policy in respect of their services on our Board of Directors.

Under the new 2020 director compensation policy, each such non-employee director is entitled to:

- an annual cash retainer of $40,000, payable quarterly in arrears;
- annual equity-based compensation of $175,000 in the form of RSUs, subject to the terms described below; and
- for new non-employee directors who join our Board of Directors, an initial, one-time equity award of $300,000 in the form of RSUs, granted as of the time of their appointment, which vest quarterly over three years following the date of grant, subject to continued services through the applicable vesting date.

Annual equity awards will be granted to each director as of the date of our annual stockholder meeting, commencing with our first annual stockholder meeting, prospectively for the year of service following the annual stockholder meeting, and will vest on the earlier of (x) the one-year anniversary of the grant date and (y) the following year's annual stockholder meeting, subject to continued service. Any non-employee director who joins our Board of Directors mid-year will receive prorated annual cash retainers during the director's first year of service.

In addition, our new director compensation policy provides for annual retainers for the chairperson of our Board of Directors, lead independent director (if applicable), committee chairs and committee members, in the following amounts:

- $25,000 for the chair;
- $20,000 for the lead independent director (if not the chair);
- $20,000 for the chair of our Audit Committee;
- $15,000 for the chair of our Compensation Committee;
- $10,000 for the chair of our Nominating and Corporate Governance Committee;
- $10,000 for each member of the Audit Committee, other than the chair;
- $7,500 for each member of the Compensation Committee, other than the chair; and
- $5,000 for each member of the Nominating and Corporate Governance Committee, other than the chair.

Certain relationships and related party transactions

Other than compensation arrangements for our executive officers and directors which are described elsewhere in this prospectus, below we describe transactions since January 1, 2017 to which we were or will be a participant and in which:

- The amounts involved exceeded or will exceed $120,000; and
- Any of our directors, executive officers or holders of more than 5% of our outstanding voting securities, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

In connection with our IPO reorganization, we engaged in certain transactions with White Mountains, Insignia, the Founders and the other Senior Executives, each of which (other than the Senior Executives) is, and will remain, a beneficial owner of 5% or more of our voting securities through ownership of shares of our Class A common stock or Class B common stock. These transactions are described in detail below and under "Organizational structure."

Reorganization agreement

Prior to the IPO, we entered into the reorganization agreement with QL Holdings LLC, White Mountains, Intermediate Holdco, the Legacy Profits Interest Holders and the other members of QL Holdings LLC that sets forth a series of reorganization transactions consummated in connection with the IPO reorganization. These transactions are described in detail under "Organizational structure."

Fourth amended and restated limited liability company agreement of QL Holdings LLC

We operate our business through QL Holdings LLC, together with its subsidiaries. The operations of QL Holdings LLC, and the rights and obligations of its members are governed by the fourth amended and restated limited liability company agreement of QL Holdings LLC. Through our wholly owned subsidiary, Intermediate Holdco, we serve as sole managing member of QL Holdings LLC. As such, we control its business and affairs and are responsible for the management of its business.

The fourth amended and restated limited liability company agreement of QL Holdings LLC establishes two classes of equity: Class A-1 units and Class B-1 units. Class A-1 units may be issued only to our wholly owned subsidiary, Intermediate Holdco, as the sole managing member of QL Holdings LLC. Class B-1 units of QL Holdings LLC may be issued only to persons or entities we permit which, as of the date of this prospectus, are
Insignia and the Senior Executives. For a description of the fourth amended and restated limited liability company agreement of QL Holdings LLC and the rights provided to holders of Class A-1 units and Class B-1 units thereunder, see "Organizational structure—Fourth amended and restated limited liability company agreement of QL Holdings LLC."

Exchange agreement

Immediately prior to the completion of the IPO, we entered into the exchange agreement with Insignia and the Senior Executives, which each hold Class B-1 units of QL Holdings LLC. Pursuant to and subject to the terms of the exchange agreement and the fourth amended and restated limited liability company agreement of QL Holdings LLC, holders of Class B-1 units, at any time and from time to time, may exchange one Class B-1 unit, together with the corresponding share of our Class B common stock, for one share of our Class A common stock (or, at our election, cash of an equivalent value). The amount of Class A common stock issued or conveyed will be subject to equitable adjustments for stock splits, stock dividends, reclassifications and other similar transactions. For a description of the exchange agreement, see "Organizational structure—Fourth amended and restated limited liability company agreement of QL Holdings LLC—Exchange agreement."

Tax receivables agreement

We expect to obtain an increase in our share of the tax basis of the tangible and intangible assets of QL Holdings LLC as a result of (i) our purchase (through Intermediate Holdco) of Class B-1 units of QL Holdings LLC from certain unitholders (including the Selling Class B-1 Unit Holders) in connection with the IPO, (ii) the Pre-IPO Leveraged Distribution and other actual or deemed distributions by QL Holdings LLC to its members, and (iii) certain post-IPO exchanges (including in connection with this offering) of Class B-1 units of QL Holdings LLC, together with an equal number of shares of our Class B common stock, for shares of our Class A common stock (or, at our election, cash of an equivalent value). These increases in tax basis are expected to increase our depreciation and amortization deductions (for tax purposes) and create other tax benefits and therefore may reduce the amount of cash taxes that we would otherwise be required to pay in the future. This existing and increased tax basis may also decrease gain (or increase loss) on future dispositions of certain assets to the extent tax basis is allocated to those assets. We expect to treat any such exchanges of Class B-1 units of QL Holdings LLC as our direct purchases of Class B-1 units from holders of Class B-1 units for U.S. federal income and other applicable tax purposes, regardless of whether such Class B-1 units are surrendered by such holders to QL Holdings LLC or to us directly in the exchange. See "Organizational structure."

In connection with the IPO, we entered into the tax receivables agreement with Insignia, the Senior Executives, and White Mountains related to the tax basis step-up of the assets of QL Holdings LLC and certain net operating losses of Intermediate Holdco. The agreement requires us to pay Insignia and the Senior Executives 85% of the cash savings, if any, in U.S. federal, state and local income tax we realize (or are deemed to realize) as a result of (i) any increases in tax basis following our purchase (through Intermediate Holdco) of Class B-1 units of QL Holdings LLC from certain unitholders (including the Selling Class B-1 Unit Holders) in connection with the IPO, as well as any post-IPO exchanges (including in connection with this offering) described above, (ii) the Pre-IPO Leveraged Distribution and other actual or deemed distributions by QL Holdings LLC to its members that result in tax basis adjustments to the assets of QL Holdings LLC, and (iii) certain other tax benefits attributable to payments under the tax receivables agreement itself.

The tax receivables agreement also requires us to pay White Mountains 85% of the amount of the cash savings, if any, in U.S. federal, state and local income tax that we realize (or are deemed to realize) as a result of the utilization of the net operating losses of Intermediate Holdco attributable to periods prior to the IPO and the deduction of any imputed interest attributable to our payment obligations under the tax receivables agreement.
We currently estimate that the amount of any such net operating losses is immaterial.

The obligations under the tax receivables agreement are our obligations and not obligations of QL Holdings LLC. We will benefit from the remaining 15% of any realized (or deemed to be realized) cash tax savings. For a description of the tax receivables agreement, see "Organizational structure—Tax receivables agreement."

Registration rights agreement

Immediately prior to the completion of the IPO, we entered into the registration rights agreement with certain of our pre-IPO shareholders, including White Mountains, Insignia, and the Senior Executives, to register for sale under the Securities Act shares of our Class A common stock, including those delivered in exchange for Class B-1 units of QL Holdings LLC in the circumstances described above. Subject to certain conditions and limitations, this agreement provides White Mountains, Insignia, and the Senior Executives with certain registration rights as described in "Organizational structure—Registration rights agreement."

Stockholders' agreement

In connection with the IPO, we entered into the stockholders' agreement with White Mountains, Insignia, and the Founders. The stockholders' agreement contains provisions related to the composition of our Board of Directors, the committees of our Board of Directors and our corporate governance. Under the stockholders' agreement, White Mountains, Insignia, and the Founders are entitled to nominate a majority of the members of our Board of Directors. In addition, White Mountains, Insignia, and the Founders agreed in the stockholders' agreement to vote for each other's board nominees. See "Organizational structure—Stockholders' agreement."

Indemnification of directors and officers

Our amended and restated bylaws provide that, to the fullest extent permitted by law, we will indemnify any officer or director of our company against all damages, claims and liabilities arising out of the fact that the person is or was our director or officer, or served any other enterprise at our request as a director, officer, employee, agent or fiduciary. In addition, our amended and restated certificate of incorporation provides that our directors will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty, except as required by applicable law, as in effect from time to time. See "Description of capital stock—Limitation of liability of directors and officers."

We have entered into customary indemnification agreements with our directors and officers. These agreements require us to indemnify these individuals to the fullest extent permitted under the DGCL against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

There is no pending litigation or proceeding involving any of our directors or officers to which indemnification is being sought, and we are not aware of any pending litigation that may result in claims for indemnification by any director or officer.

Policies and procedures for related party transactions

We have a policy that all material transactions with a related party, as well as all material transactions in which there is an actual, or in some cases, perceived, conflict of interest, will be subject to prior review and approval by our Audit Committee and its independent members, who will determine whether such transactions or proposals are fair and reasonable to MediaAlpha, Inc. and its stockholders. In general, potential related-party transactions will be identified by our management and discussed with our Audit Committee at its meetings. Detailed proposals, including, where applicable, financial and legal analyses, alternatives and management recommendations, will be provided to our Audit Committee with respect to each issue under consideration, and decisions will be made by our Audit Committee with respect to the foregoing related-party transactions after opportunity for discussion and review of materials. When applicable, our Audit Committee will request further information and, from time to time, will request guidance or confirmation from internal or external counsel or auditors.

All related party transactions described in this section occurred prior to adoption of this policy and as such, these transactions were not subject to the approval and review procedures set forth in the policy.

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Principal and selling stockholders

The following table sets forth information with respect to the beneficial ownership of our capital stock, as of (1) immediately prior to the completion of this offering and (2) following the sale of common stock in this offering, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding common stock;
- each of our named executive officers and directors;
- all of our executive officers and directors as a group; and
- the selling stockholders.

The number of shares beneficially owned by each stockholder is determined under rules of the SEC and includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, warrants or other rights held by such person that are currently exercisable or will become exercisable within 60 days are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

We have based our calculation of the percentage of beneficial ownership prior to this offering on 59,351,129 shares of common stock outstanding as of immediately prior to the completion of this offering. The table below does not reflect any purchases of shares of our common stock in this offering from our existing stockholders.

To our knowledge, each of the stockholders listed has sole voting and investment power with respect to the shares beneficially owned by the stockholder unless noted otherwise, subject to community property laws where applicable. Unless otherwise set forth in the footnotes to the table, the address for each listed stockholder is c/o MediaAlpha, Inc., 700 South Flower Street, Suite 640, Los Angeles, California 90017.

	Shares of Class A common stock beneficially owned prior to offering		Shares of Class A common stock offered without exercise of underwriters' option	Shares of Class A common stock beneficially owned after offering without exercise of underwriters' option		Shares of Class A common stock offered with full exercise of underwriters' option	Shares of Class A common stock beneficially owned after offering with full exercise of underwriters' option		Shares of Class B common stock beneficially owned prior to offering		Shares of Class B common stock beneficially owned after offering without exercise of underwriters' option		Shares of Class B common stock beneficially owned after offering with full exercise of underwriters' option		Total voting shares after offering without exercise of underwriters' option	Total voting shares after offering with full exercise of underwriters' option
Name of beneficial owner	**Number**	**%**	**Number**	**Number**	**%**	**Number**	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**Number**
Named Executive Officers and Director:																
Steven Yi[1]	306,294	0.5%	731,779	306,294	0.4%	841,868	306,294	0.4%	4,811,919	18.8%	4,080,140	18.8%	3,970,051	18.8%	4,386,434	4,276,345
Eugene Nonko[2]	306,294	0.5%	731,779	306,294	0.4%	841,868	306,294	0.4%	4,811,919	18.8%	4,080,140	18.8%	3,970,051	18.8%	4,386,434	4,276,345
Tigran Sinanyan	15,315	0.0%	73,792	15,315	0.0%	84,893	15,315	0.0%	485,227	1.9%	411,435	1.9%	400,334	1.9%	426,750	415,649
Other Selling Executive Officers:																
Ambrose Wang[3]	30,630	0.0%	518,912	30,630	0.0%	596,977	30,630	0.0%	3,412,183	13.4%	2,893,271	13.4%	2,815,206	13.4%	2,923,901	2,845,836
Keith Cramer	25,525	0.0%	54,386	25,525	0.0%	62,568	25,525	0.0%	357,618	1.4%	303,232	1.4%	295,050	1.4%	328,757	320,575
Kuanling (Amy) Yeh	30,630	0.0%	34,637	30,630	0.0%	39,848	30,630	0.0%	227,761	0.9%	193,124	0.9%	187,913	0.9%	223,754	218,543
Brian Mikalis	20,420	0.0%	20,491	20,420	0.0%	20,491	20,420	0.0%	173,454	0.7%	152,963	0.7%	152,963	0.7%	173,383	173,383
Robert Perine	15,315	0.0%	20,482	15,315	0.0%	23,563	15,315	0.0%	134,682	0.5%	114,200	0.5%	111,119	0.5%	129,515	126,434
Serge Topjian	15,315	0.0%	25,974	15,315	0.0%	29,882	15,315	0.0%	170,792	0.7%	144,818	0.7%	140,910	0.7%	160,133	156,225
Jeffrey Sweetser	15,315	0.0%	25,023	15,315	0.0%	28,787	15,315	0.0%	164,541	0.6%	139,518	0.6%	135,754	0.6%	154,833	151,069
Lance Martinez	20,420	0.0%	22,893	20,420	0.0%	26,337	20,420	0.0%	150,540	0.6%	127,647	0.6%	124,203	0.6%	148,067	144,623
All Directors and Executive Officers as a Group (18)	**809,369**	**1.2%**	**2,260,148**	**809,369**	**1.1%**	**2,597,083**	**809,369**	**1.1%**	**14,900,636**	**58.4%**	**12,640,488**	**58.4%**	**12,303,553**	**58.4%**	**13,449,857**	**13,112,922**
Other Selling Stockholders:																
White Mountains[4]	20,532,202	60.7%	3,122,460	17,409,742	46.2%	3,592,204	16,939,998	44.3%	—	0.0%	—	0.0%	—	0.0%	17,409,742	16,939,998
Insignia[5]	—	0.0%	1,617,392	—	0.0%	1,860,713	—	0.0%	10,635,407	41.6%	9,018,015	41.6%	8,774,694	41.6%	9,018,015	8,774,694

Name of beneficial owner	Shares of Class A common stock beneficially owned prior to offering		Shares of Class A common stock offered without exercise of underwriters' option	Shares of Class A common stock beneficially owned after offering without exercise of underwriters' option		Shares of Class A common stock offered without exercise of underwriters' option	Shares of Class A common stock beneficially owned after offering with full exercise of underwriters' option		Shares of Class B common stock beneficially owned prior to offering		Shares of Class B common stock beneficially owned after offering without exercise of underwriters' option		Shares of Class B common stock beneficially owned after offering with full exercise of underwriters' option		Total voting shares after offering without exercise of underwriters' option	Total voting shares after offering with full exercise of underwriters' option	Total voting power after offering without exercise of underwriters' option	T p of fu un
	Number	%	Number	Number	%	Number	Number	%	Number	%	Number	%	Number	%	Number	Number	%	
Other Greater Than 5% Stockholders:																		
Kayne Anderson Rudnick Investment Management LLC[6]	4,478,491	13.2%	—	4,478,491	11.9%	—	4,478,491	11.7%	—	0.0%	—	0.0%	—	0.0%	4,478,491	4,478,491	7.5%	

(1) Reflects shares of Class B Common Stock held directly by OBF Investments, LLC and 35% of the 565,783 shares of Class B Common Stock held directly by QuoteLab Holdings, Inc. OBF Investments, LLC is indirectly owned by Mr. Yi and his immediate family. Mr. Yi is the indirect holder of 35% of the voting interests and economic interests in QuoteLab Holdings, Inc.

(2) Reflects shares of Class B Common Stock held directly by O.N.E. Holdings, LLC and 35% of the 565,783 shares of Class B Common Stock held directly by QuoteLab Holdings, Inc. Mr. Nonko is the managing member and O.N.E. Holdings, LLC is owned by Mr. Nonko and his immediate family. Mr. Nonko is the indirect holder of 35% of the voting interests and economic interests in QuoteLab Holdings, Inc.

(3) Reflects shares of Class B Common Stock held directly by Wang Family Investments LLC and 30% of the 565,783 shares of Class B Common Stock held directly by QuoteLab Holdings, Inc. Mr. Wang is the managing member and Wang Family Investments LLC is owned by Mr. Wang and his immediate family. Mr. Wang is the indirect holder of 30% of the voting interests and economic interests in QuoteLab Holdings, Inc.

(4) Bridge Holdings (Bermuda) Ltd. and White Mountains Investments (Luxembourg) S.à r.l., both of which are wholly owned subsidiaries of White Mountains Insurance Group Ltd. The board of directors and senior officers of White Mountains Insurance Group Ltd. exercise joint voting and investment control over the securities held by Bridge Holdings (Bermuda) Ltd. and White Mountains Investments (Luxembourg) S.à r.l. The members of such board of directors and such senior officers disclaim beneficial ownership with respect to such securities. The principal business address for White Mountains is 23 South Main Street, Suite 3B, Hanover, NH 03755.

(5) Reflects shares of Class B common stock held directly by Insignia A QL Holdings, LLC ("Insignia A") and Insignia QL Holdings, LLC ("Insignia QL"). Insignia Capital Partners (Parallel A), L.P. ("Parallel A") and Insignia Capital Partners (AIV), L.P. ("Insignia AIV") are members of Insignia A having the power to appoint the majority of the board of managers of Insignia A. Insignia Capital Partners, L.P. ("Insignia Capital" and together with Parallel A and Insignia AIV, the "Insignia Fund") is the managing member of Insignia QL. Insignia Capital Partners GP, LLC ("Insignia GP") is the general partner of the Insignia Fund. The three member Investment Committee of Insignia GP comprised of David Lowe, Anthony Broglio and Melvyn Deane exercises voting and investment control over the securities held directly by Insignia A and Insignia QL, which acts by a majority vote of its members. Consequently, the Insignia Fund and Insignia GP may be deemed to beneficially own the securities held directly by Insignia A and Insignia QL. Messrs. Lowe, Broglio and Deane disclaim beneficial ownership of the securities held directly by Insignia A and Insignia QL. The principal business address of Insignia A, Insignia QL, the Insignia Fund and Insignia GP is 1333 North California Boulevard, Suite 520, Walnut Creek, CA, 94596.

(6) The information relates to beneficial ownership as of December 31, 2020, as reported in an amended Schedule 13G filed with the SEC on February 12, 2021 by Kayne Anderson Rudnick Investment Management LLC ("Kayne"), Virtus Investment Advisers, Inc. ("Virtus Investments") and Virtus Equity Trust, on behalf of Virtus KAR Small Cap Growth Fund ("Virtus KAR"). For these purposes, (i) Kayne has sole voting power with respect to 1,222,742 shares of Class A common stock, shared voting power with respect to 3,252,749 shares of Class A common stock, sole dispositive power with respect to 1,222,742 shares of Class A common stock, and shared dispositive power with respect to 3,252,749 shares of Class A common stock; (ii) Virtus Investments has shared voting power with respect to 3,252,749 shares of Class A common stock and shared dispositive power with respect to 3,252,749 shares of Class A common stock; and (iii) Virtus KAR has shared voting power with respect to 3,177,190 shares of Class A common stock and shared dispositive power with respect to 3,177,190 shares of Class A common stock.

Description of certain indebtedness

The following is a summary of the material terms of certain indebtedness of us and our subsidiaries. The summary is qualified in its entirety by reference to the full text of the agreements governing the terms of such indebtedness, which are filed as exhibits to the registration statement of which this prospectus is a part.

Senior secured credit facilities

On September 23, 2020, QuoteLab, LLC entered into the 2020 Credit Agreement with JPMorgan Chase Bank, N.A., as lender and administrative agent, and the other lenders from time to time party thereto, providing for the 2020 Credit Facilities consisting of (i) a $210.0 million term loan facility and (ii) a $5.0 million revolving credit facility. Proceeds from the 2020 Term Loan Facility were used to refinance the 2019 Credit Facilities and pay related fees and expenses and fund a distribution to equity holders of QL Holdings LLC. The 2020 Revolving Credit Facility is available for general corporate purposes and includes a letter of credit sub-facility of up to $2.5 million. The 2020 Credit Facilities also include an uncommitted incremental facility, which, subject to certain conditions, provides for additional term loan facilities, an increase in commitments under the 2020 Term Loan Facility and/or an increase in commitments under the 2020 Revolving Credit Facility, in an aggregate amount of up to $50.0 million.

As of March 10, 2021, the aggregate principal amount of the 2020 Term Loan Facility was $186.4 million and our borrowing capacity under the 2020 Revolving Credit Facility was $5.0 million.

Interest Rate and Fees

The 2020 Term Loan Facility bears interest on the outstanding principal amount thereof at a rate per annum equal to either, at our option, (a) LIBOR plus the applicable margin, subject to a LIBOR floor of 0.50% per annum, or (b) a base rate plus the applicable margin. The 2020 Revolving Credit Facility accrues interest on amounts drawn at a rate per annum equal to either, at our option, (a) LIBOR plus the applicable margin, subject to a LIBOR floor of 0.50% per annum, or (b) a base rate plus the applicable margin. The applicable margin at any time is determined based upon the Consolidated Total Net Leverage Ratio (as defined in the 2020 Credit Agreement) at such time, and ranges from 3.25% per annum to 3.75% per annum, in the case of loans bearing interest by reference to LIBOR, and 2.25% per annum to 2.75% per annum in the case of loans bearing interest by reference to base rate. The 2020 Credit Agreement provides for the establishment of a replacement rate to LIBOR in the event LIBOR is phased-out.

QuoteLab, LLC is required to repay the 2020 Term Loan Facility, commencing with the quarter ended December 31, 2020, in equal quarterly installments in an aggregate annual amount equal to 5% of the initial aggregate amount of the 2020 Term Loan Facility, with the balance payable on the maturity date, which is September 23, 2023 (or, if such date is not a business day, the first business day following such date).

In addition to paying interest on outstanding principal amounts under the 2020 Credit Facilities, QuoteLab, LLC is required to pay a commitment fee, determined at any time based upon the Consolidated Total Net Leverage Ratio at such time, on the average daily amount of the undrawn commitments under the 2020 Revolving Credit Facility. The commitment fee ranges from 0.25% per annum to 0.50% per annum. QuoteLab, LLC is also required to pay customary letter of credit fees.

Mandatory Prepayments

Subject to certain exceptions and limitations, QuoteLab, LLC is required to prepay the 2020 Term Loan Facility with:

(a) 100% of the net cash proceeds from non-permitted debt incurrences;

(b) 100% of the net cash proceeds from certain non-ordinary course asset sales or from a casualty or condemnation recovery event, subject to customary exceptions and reinvestment rights; and

(c) 50% of annual Excess Cash Flow (as defined in the 2020 Credit Agreement), subject to certain step-downs (determined at any time based upon the Consolidated Total Net Leverage Ratio at such time) and customary exceptions.

Security and Guarantees

Our obligations under the 2020 Credit Facilities are guaranteed by QL Holdings LLC and the domestic subsidiaries of QuoteLab, LLC, subject to certain exceptions. All obligations under the 2020 Credit Facilities and the related guarantees are secured by a first priority lien on substantially all of the tangible and intangible assets of QuoteLab, LLC and the guarantors under the 2020 Credit Agreement (including, without limitation, all of the equity interests in QuoteLab, LLC held by QL Holdings LLC), in each case, subject to permitted liens and certain exceptions.

Covenants

The 2020 Credit Agreement contains customary affirmative and negative covenants, including limitations on indebtedness (including guarantee obligations); limitations on liens; limitations on restricted payments; limitations on acquisitions, investments, loans and advances; limitations on sales, dispositions or other transfers of assets; limitations on optional payments and modifications of subordinated debt in a manner that materially adversely affects the rights of the lenders; limitations on transactions with affiliates; limitations on changes in fiscal year; limitations on changes in lines of business; limitations on use of proceeds to ensure compliance with OFAC and conduct of business to comply with FCPA; and a passive holding company covenant applicable to QL Holdings LLC. In addition, the 2020 Credit Agreement contains two financial maintenance covenants, which are tested for each Test Period (as defined in the 2020 Credit Agreement), commencing with the Test Period ended December 31, 2020, requiring that (a) the Consolidated Total Net Leverage Ratio not exceed a range starting at 4.50:1.00 as of the last day of the first applicable Test Period and ending at 3.00:1.00 as of the last day of the last applicable Test Period and (b) the Consolidated Fixed Charge Coverage Ratio (as defined in the 2020 Credit Agreement) not be less than 1.15:1.00.

Events of Default

Events of default under the 2020 Credit Agreement include, among other things, nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain affirmative covenants, to a grace period); cross-event of default to material debt; bankruptcy events; certain ERISA events; material judgments; change of control; and actual or asserted invalidity of the 2020 Credit Agreement and non-perfection of the security interest on any material portion of the collateral.

Description of capital stock

The following description summarizes the most important terms of our capital stock, which terms are set forth in our amended and restated certificate of incorporation and amended and restated bylaws. This description is not complete and is qualified by reference to the full text of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus is a part, as well as the applicable provisions of the DGCL.

For a description of the most important terms of the Class A-1 units and Class B-1 units of QL Holdings LLC, see "Organizational structure—Fourth amended and restated limited liability company agreement of QL Holdings LLC." These descriptions are not complete and are qualified by reference to the full text of the fourth amended and restated limited liability company agreement of QL Holdings LLC, a copy of which is filed as an exhibit to the registration statement of which this prospectus is a part, as well as the applicable provisions of the Delaware Limited Liability Company Act.

General

Our authorized capital stock will consist of 1,000,000,000 shares of Class A common stock, par value $0.01 per share, 100,000,000 shares of Class B common stock, par value $0.01 per share and 50,000,000 shares of preferred stock, par value $0.01 per share.

Class A common stock

Class A common stock outstanding

After the completion of this offering, White Mountains will beneficially own approximately 46.2% of our outstanding Class A common stock (assuming no exercise of the underwriters' option to purchase additional shares). There will be 37,692,626 shares of Class A common stock outstanding, assuming no exercise of the underwriters' option to purchase additional shares, after giving effect to the sale of the shares of Class A common stock offered hereby. All outstanding shares of Class A common stock are fully paid and non-assessable, and the shares of Class A common stock to be issued upon the completion of this offering will be fully paid and non-assessable.

Voting rights

The holders of Class A common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. The holders of our Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law. Delaware law would require holders of our Class A common stock and Class B common stock to vote separately as a single class in the following circumstances:

- if we amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of stock, then such class would be required to vote separately to approve the proposed amendment; or
- if we amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of stock in a manner that affects holders of such class of stock adversely, then such class would be required to vote separately to approve such proposed amendment.

Dividend rights

Subject to preferences that may be applicable to any outstanding preferred stock, the holders of Class A common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by our Board of Directors out of funds legally available therefor. See “Dividend policy.”

Rights upon liquidation

In the event of liquidation, dissolution or winding up of our Company, the holders of Class A common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding.

Other rights

The holders of our Class A common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the Class A common stock. The rights, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock we may issue in the future.

Class B common stock

Class B common stock outstanding

After the completion of this offering, Insignia will beneficially own approximately 41.6% of our outstanding Class B common stock and the Senior Executives will beneficially own an aggregate of approximately 58.4% of our outstanding Class B common stock (assuming no exercise of the underwriters’ option to purchase additional shares). Shares of our Class B common stock are issuable only in connection with the corresponding issuance of an equal number of Class B-1 units of QL Holdings LLC. When a Class B-1 unit is issued by QL Holdings LLC, we will issue the holder of such Class B-1 unit one share of our Class B common stock.

Exchange rights

Each share of our Class B common stock will be redeemed and cancelled by us if the holder exchanges one Class B-1 unit of QL Holdings LLC, together with the corresponding share of Class B common stock, for one share of Class A common stock (or, at our election, cash of an equivalent value) pursuant to the terms of the exchange agreement, the form of which will be filed as an exhibit to the registration statement of which this prospectus forms a part. Shares of Class B common stock are not transferable except together with an equal number of Class B-1 units. See “Organizational structure—Fourth amended and restated limited liability company of QL Holdings LLC—Exchange agreement.”

Voting rights

The holders of Class B common stock are entitled to one vote for each share on all matters voted upon by our stockholders. The holders of our Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law. Delaware law would require holders of our Class A common stock and Class B common stock to vote separately as a single class in the following circumstances:

- if we amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of stock, then such class would be required to vote separately to approve the proposed amendment; or

- if we amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of stock in a manner that affects holders of such class of stock adversely, then such class would be required to vote separately to approve such proposed amendment.

Dividend rights

The holders of our Class B common stock will not participate in any cash dividends declared by our Board of Directors.

Rights upon liquidation

The holders of our Class B common stock will not be entitled to receive any of our assets in the event of any dissolution, liquidation or winding up of our affairs, whether voluntary or involuntary.

Other rights

In the event of our merger or consolidation with or into another company in connection with which shares of Class A common stock and Class B common stock (together with the corresponding Class B-1 units of QL Holdings LLC) are converted into, or become exchangeable for, shares of stock, other securities or property (including cash), each holder of our Class B common stock will be entitled to receive for each share of Class B common stock the same number of shares of stock as is received by holders of our Class A common stock for each share of Class A common stock, and will not be entitled, for each share of Class B common stock, to receive other securities or property (including cash). No shares of Class B common stock will have preemptive rights to purchase additional shares of Class B common stock.

Preferred stock

Under the terms of our amended and restated certificate of incorporation, our Board of Directors has the authority to issue shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of such series, without further vote or action by the stockholders.

The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of MediaAlpha, Inc. without further action by the stockholders and may adversely affect the voting and other rights of the holders of Class A common stock. At present, we have no plans to issue any preferred stock.

Anti-takeover effects of various provisions of our amended and restated certificate of incorporation, amended and restated bylaws and stockholders' agreement

Some provisions of our amended and restated certificate of incorporation, amended and restated bylaws and stockholders' agreement could make the following more difficult:

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

These provisions, as well as our ability to issue "blank check" preferred stock, are designed to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us, and that the benefits of this increased protection outweigh the disadvantages of discouraging those proposals, because negotiation of those proposals could result in an improvement of their terms.

Classified board of directors; election and removal of directors; vacancies

Our Board of Directors consists of nine directors, excluding any directors elected by holders of any preferred stock pursuant to provisions applicable in the case of defaults and subject to applicable laws and stock exchange regulations. The exact number of directors is fixed from time to time by resolution of the board. In accordance with our amended and restated certificate of incorporation and our amended and restated bylaws, our Board of Directors is divided into three staggered classes of directors, as nearly equal in number as possible. At each annual meeting of our stockholders, our stockholders elect a class of directors for a three-year term to succeed the directors of the same class whose terms are then expiring. As a result, a portion of our Board of Directors will be elected each year. There is no limit on the number of terms a director may serve on our Board of Directors. The division of our Board of Directors into three classes with staggered three-year terms may have the effect of discouraging, delaying or preventing a transaction involving a change in control.

Pursuant to the stockholders' agreement we entered into with White Mountains, Insignia, and the Founders in connection with our IPO, for so long as each of White Mountains, Insignia, and the Founders (treating the Founders as a single stockholder for this purpose) owns at least 12.5% of the issued and outstanding shares of common stock as of the closing of our IPO, such stockholder will be entitled to nominate two directors to serve on our Board of Directors. When such stockholder owns less than 12.5% but at least 5% of the issued and outstanding shares of common stock as of the closing of our IPO, such stockholder will be entitled to nominate one director. White Mountains, Insignia, and the Founders have agreed in the stockholders' agreement to vote for each other's board nominees.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that (a) prior to the date on which White Mountains, Insignia, and the Founders cease to collectively own at least a majority in voting power of all shares entitled to vote generally in the election of directors, directors may be removed with or without cause upon the affirmative vote of holders of at least a majority of the voting power of all the then outstanding shares of stock entitled to vote generally in the election of directors, and (b) on and after the date on which White Mountains, Insignia, and the Founders cease to collectively own at least a majority in voting power of all outstanding shares entitled to vote generally in the election of directors, directors may be removed only for cause and only upon the affirmative vote of holders of at least 75% of the voting power of all the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

In addition, our amended and restated certificate of incorporation provides that any newly-created directorship on the Board of Directors that results from an increase in the number of directors and any vacancy occurring on the Board of Directors shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

Approvals of White Mountains, Insignia, and the Founders

Under the stockholders' agreement and subject to our amended and restated certificate of incorporation, our amended and restated bylaws and applicable law, certain actions cannot be taken by us without the prior written consent of a majority in interest of White Mountains, Insignia, and the Founders, for so long as such stockholders continue to own at least a majority of the issued and outstanding shares of common stock. These actions include, among others, increasing or decreasing the size of the board and engaging in change in control transactions. The requirement to seek approval from White Mountains, Insignia, and the Founders may have the effect of discouraging, delaying or preventing a transaction involving a change in control. See "Organizational structure—Stockholders' agreement" for more information.

No cumulative voting

The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless our amended and restated certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not authorize cumulative voting.

Limits on stockholder action by written consent

The DGCL permits stockholder action by written consent unless otherwise provided by our amended and restated certificate of incorporation. Our amended and restated certificate of incorporation permits stockholder action by written consent, but precludes stockholder action by written consent after the date on which White Mountains, Insignia, and the Founders cease to collectively own at least a majority in voting power of all shares entitled to vote generally in the election of our directors.

Special stockholder meetings

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that special meetings of stockholders may be called only by or at the direction of the Board of Directors, the chairman of the Board of Directors, the chief executive officer or, so long as White Mountains, Insignia, and the Founders collectively own at least a majority in voting power of shares of our common stock, any such stockholder, subject to certain limitations. Our amended and restated certificate of incorporation and our amended and restated bylaws specifically deny any power of any other person to call a special meeting.

Amendment of amended and restated certificate of incorporation

The affirmative vote of holders of at least a majority of the voting power of our outstanding shares of stock is generally required to amend provisions of our amended and restated certificate of incorporation. However, if White Mountains, Insignia, and the Founders cease to collectively own at least a majority of all of the outstanding shares of our capital stock entitled to vote, the affirmative vote of holders of at least 75% of the voting power of our outstanding shares of stock will generally be required to amend certain provisions of our amended and restated certificate of incorporation.

Amendment of amended and restated bylaws

Our amended and restated bylaws may generally be altered, amended or repealed, and new bylaws may be adopted, by the affirmative vote of a majority of directors present at any regular or special meeting of the Board of Directors called for that purpose or by the affirmative vote of holders of at least a majority of the voting power of our outstanding shares of voting stock. However, if White Mountains, Insignia, and the Founders cease to collectively own at least a majority of all of the outstanding shares of our capital stock entitled to vote, the affirmative vote of holders of at least 75% of the voting power of our outstanding shares of stock will generally be required to alter, amend or repeal any provision of our amended and restated bylaws, or adopt new bylaws.

Limitations on stockholder actions

Our amended and restated bylaws also impose some procedural requirements on stockholders who wish to:

- make nominations in the election of directors;
- propose that a director be removed;
- propose any repeal or change in our amended and restated bylaws; or
- propose any other business to be brought before an annual meeting of stockholders.

Under these procedural requirements, in order to bring a proposal before a meeting of stockholders, a stockholder must deliver timely notice of a proposal pertaining to a proper subject for presentation at the meeting to our corporate secretary along with the following:

- a description of the business or nomination to be brought before the meeting and the reasons for conducting such business at the meeting;
- the stockholder's name and address;
- any material interest of the stockholder in the proposal;
- the number of shares beneficially owned by the stockholder and evidence of such ownership; and
- the names and addresses of all persons with whom the stockholder is acting in concert and a description of all arrangements and understandings with those persons, and the number of shares such persons beneficially own.

To be timely, a stockholder must generally deliver notice:

- in connection with an annual meeting of stockholders, not less than 90 nor more than 120 days prior to the month and day corresponding to the date on which the annual meeting of stockholders was held in the immediately preceding year, but in the event that the date of the annual meeting is more than 30 days before or more than 30 days after the anniversary date of the preceding annual meeting of stockholders, a stockholder notice will be timely if received by us not later than the close of business on the 10th day following the day on which we first publicly announce the date of the annual meeting; or
- in connection with the election of a director at a special meeting of stockholders, not less than 40 nor more than 60 days prior to the date of the special meeting, but in the event that less than 50 days' notice or prior public disclosure of the date of the special meeting of the stockholders is given or made to the stockholders, a stockholder notice will be timely if received by us not later than the close of business on the 10th day following the day on which a notice of the date of the special meeting was mailed to the stockholders or the public disclosure of that date was made.

In order to submit a nomination for our Board of Directors, a stockholder must also submit any information with respect to the nominee that we would be required to be included in a proxy statement, as well as certain other information. If a stockholder fails to follow the required procedures, the stockholder's proposal or nominee will be ineligible and will not be voted on by our stockholders. These provisions may deter, delay or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to influence or obtain control of the Company.

Authorized but unissued shares

Our authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy context, tender offer, merger, or otherwise.

Delaware business combination statute

We elected in our amended and restated certificate of incorporation not to be subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we will not be subject to any anti-takeover effects of Section 203. Nevertheless, our amended and restated certificate of incorporation contains provisions that have the same effect as Section 203, except that they will provide that each of White Mountains, Insignia, and the Founders and their respective affiliates and transferees will not be deemed to be "interested stockholders," regardless of the percentage of our voting stock owned by them, and accordingly will not be subject to such restrictions.

Limitation of liability of directors and officers

Our amended and restated certificate of incorporation provides that no director will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except as required by applicable law, as in effect from time to time. Currently, Delaware law requires that liability be imposed for the following:

- any breach of the director's duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; and
- any transaction from which the director derived an improper personal benefit.

As a result, neither we nor our stockholders have the right, through stockholders' derivative suits on our behalf, to recover monetary damages against a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior, except in the situations described above.

Our amended and restated bylaws provide that, to the fullest extent permitted by law, we will indemnify any officer or director of our company against all damages, claims and liabilities arising out of the fact that the person is or was our director or officer, or served any other enterprise at our request as a director, officer, employee, agent or fiduciary. We will reimburse the expenses, including attorneys' fees, incurred by a person indemnified by this provision when we receive an undertaking to repay such amounts if it is ultimately determined that the person is not entitled to be indemnified by us. Amending these provisions will not reduce our indemnification obligations relating to actions taken before an amendment.

Corporate opportunity

Our amended and restated certificate of incorporation and stockholders' agreement provide that each of White Mountains, Insignia, and the Founders and their respective affiliates do not have any duty to refrain from

(1) engaging, directly or indirectly, in the same or similar business activities or lines of business as us, including those business activities or lines of business deemed to be competing with us, or (2) doing business with any of our clients, customers or vendors. In the event that White Mountains, Insignia or the Founders or any of their respective affiliates acquires knowledge of a potential business opportunity which may be a corporate opportunity for us, they will have no duty to communicate or offer such corporate opportunity to us. Our amended and restated certificate of incorporation and stockholders' agreement also provide that, to the fullest extent permitted by law, none of such stockholders or their respective affiliates will be liable to us, for breach of any fiduciary duty or otherwise, by reason of the fact that any such stockholder or any of its affiliates directs such corporate opportunity to another person, or otherwise does not communicate information regarding such corporate opportunity to us, and we will waive and renounce any claim that such business opportunity constituted a corporate opportunity that should have been presented to us.

Forum selection

Our amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders and other similar actions, may be brought only in specified courts in the State of Delaware. In addition, our amended and restated certificate of incorporation provides that the federal district courts of the United States are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act but that the forum selection provision does not apply to claims brought to enforce a duty or liability created by the Exchange Act. Although we believe this provision will benefit us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, a court may determine that this provision is unenforceable, and to the extent it is enforceable, the provision may have the effect of discouraging lawsuits against our directors and officers.

Litigation costs

Our amended and restated bylaws require, except to the extent prohibited by the DGCL, that in all derivative actions brought on our behalf, actions against directors, officers and employees for breach of a fiduciary duty and other similar actions, the initiating party will reimburse us and any officer, director or other employee for all fees, costs and expenses incurred in connection with such action if such initiating party does not substantially achieve the full remedy sought. While application of this standard will necessarily need to take into account the particular facts, circumstances and equities of any particular claim, we would expect a claiming party to be required to prevail on the merits on substantially all of the claims asserted in the complaint and, as a result, receive substantially the full remedy that it was seeking (including, if applicable, any equitable remedy) in order to avoid responsibility for reimbursing such fees, costs and expenses. Although we believe this provision will benefit us by discouraging meritless lawsuits against us and our directors, officers and employees, the provision may have the effect of discouraging lawsuits that could benefit us. See "Risk factors—Our amended and restated bylaws provide that, if a claiming party brings certain actions against us and is not successful on the merits then it will be obligated to pay our litigation costs, which could have the effect of discouraging litigation, including claims brought by our stockholders."

Transfer agent and registrar

The transfer agent and registrar for the common stock is Computershare Trust Company, N.A.

Listing

Our Class A common stock is listed on the NYSE under the symbol "MAX."

Shares eligible for future sale

Future sales of substantial amounts of Class A common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of the Class A common stock. See “Risk factors—The market price of our Class A common stock could decline due to the large number of shares of Class A common stock eligible for future sale upon the exchange of Class B-1 units of QL Holdings LLC.”

After giving effect to this offering, we will have outstanding an aggregate of 37,692,626 shares of Class A common stock and 21,658,503 shares of Class B common stock outstanding, assuming no exercise of the underwriters’ option to purchase additional shares. Of these shares, all of the shares of Class A common stock sold in this offering or the IPO will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our “affiliates,” as that term is defined in Rule 144 under the Securities Act, whose shares would be subject to the restrictions described below. In addition, we have registered for resale 1,999,439 shares of our Class A common stock held by the Legacy Profits Interest Holders pursuant to a registration statement on Form S-8 (Registration No. 333-249987) which became automatically effective on November 9, 2020. The shares will be freely tradeable if sold pursuant to the registration statement in accordance with applicable law.

The remaining shares of Class A and Class B common stock outstanding upon completion of this offering, and any shares of Class A common stock issuable to our Class B stockholders pursuant to the exchange agreement, will be “restricted securities,” as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below.

Equity plans

As of March 10, 2021, there were 5,017,172 shares of Class A common stock issuable upon the vesting of additional restricted stock units. On November 9, 2020, we filed a registration statement on Form S-8 under the Securities Act (File No. 333-249987) to register all shares of capital stock issued or issuable under the 2020 Omnibus Incentive Plan, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market, subject to compliance with the resale provisions of Rule 144, in each case subject to the lock-up agreements described above.

Lock-up agreements

In connection with our IPO, we, our directors and executive officers and certain other holders of equity interests in QL Holdings LLC immediately prior to the IPO reorganization agreed that, without the prior written consent of J.P. Morgan Securities LLC and Citigroup Global Markets Inc., as representatives for the several underwriters, we and they will not, subject to limited exceptions, during the period ending 180 days after October 28, 2020:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock beneficially owned by them or any other securities so owned that are convertible into or exercisable or exchangeable for shares of our common stock;
- file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of shares of our common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person have agreed that, without the prior written consent of J.P. Morgan Securities LLC and Citigroup Global Markets Inc. on behalf of the underwriters, we or such other person will not, during the 180-day restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for shares of common stock. None of our other stockholders is subject to any such restrictions and, accordingly, common stock or other securities held by these other stockholders may be transferred or disposed of, to or through any broker-dealer, at any time during or following this offering, subject to such stockholder's compliance with applicable securities laws. J.P. Morgan Securities LLC and Citigroup Global Markets Inc., in their sole discretion as representatives, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

These agreements are subject to certain exceptions, as described in the section of this prospectus titled "Underwriting."

Upon the expiration of the applicable lock-up periods, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above.

In connection with this offering, J.P. Morgan Securities LLC and Citigroup Global Markets Inc., as representatives of the several underwriters in the IPO, have agreed to release the restrictions under the lock-up agreements that were executed in connection with the IPO with respect to up to 7,000,000 shares (or up to 8,050,000 shares including the underwriters' option to purchase additional shares) of our Class A common stock in this offering, provided that the release of shares of our Class A common stock held by the selling stockholders is limited to the shares actually sold in this offering.

Rule 144

Affiliate resales of restricted securities

In general, beginning 90 days after the effective date of the registration statement for this offering, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, who has beneficially owned shares of our capital stock for at least six months would be entitled to sell in "broker's transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- 1% of the total number of then-outstanding shares of the class of security sold; or
- the average weekly trading volume in the class of security sold on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us.

Non-affiliate resales of restricted securities

In general, once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the three months preceding a sale, and who has beneficially owned shares of our capital stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchased shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act are entitled to sell such shares 90 days after such effective date in reliance on Rule 144. An affiliate of ours can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of ours can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

The SEC has indicated that Rule 701 will apply to typical stock options granted before we become subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after we become subject to the reporting requirements of the Exchange Act.

Class A common stock issuable upon exchange of Class B-1 units of QL Holdings LLC

After the completion of this offering, 21,694,456 Class B-1 units of QL Holdings LLC will be outstanding. We have entered into the exchange agreement with Insignia and the Senior Executives, which each hold certain Class B-1 units of QL Holdings LLC. Pursuant to and subject to the terms of the exchange agreement and the fourth amended and restated limited liability company agreement of QL Holdings LLC, holders of Class B-1 units of QL Holdings LLC, at any time and from time to time, may exchange one Class B-1 unit, together with the corresponding share of our Class B common stock, for one share of our Class A common stock (or, at our election, cash of an equivalent value). The amount of Class A common stock issued or conveyed will be subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications and other similar transactions. See “Organizational structure—Fourth amended and restated limited liability company agreement of QL Holdings LLC—Exchange agreement.” We have also entered into a registration rights agreement with certain of the Pre-IPO shareholders, including White Mountains, Insignia, and the Senior Executives, as described below. If Insignia and the Senior Executives exercised all their exchange and resale rights, 21,658,503 shares of Class A common stock would be issued to them and registered for resale (representing 57.5% of the number of shares of our Class A common stock outstanding immediately after our IPO assuming no exercise of the underwriters’ option to purchase additional shares).

Registration rights

In connection with our IPO, we entered into the registration rights agreement with certain of the pre-IPO shareholders, including White Mountains, Insignia, and the Senior Executives, to register for sale under the Securities Act shares of our Class A common stock, including those delivered in exchange for Class B-1 units of QL Holdings LLC in the circumstances described above. Subject to certain conditions and limitations, this agreement provides White Mountains, Insignia and the Senior Executives with certain registration rights as described in “Organizational structure—Registration rights agreement.”

Material U.S. federal income tax considerations for Non-U.S. Holders of common stock

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our Class A common stock sold pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of our Class A common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. We cannot assure that the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our Class A common stock.

This discussion is limited to Non-U.S. Holders that hold our Class A common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- persons who own, or are deemed to own, more than 5% of our Class A common stock (except to the extent specifically set forth below);
- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our Class A common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- regulated investment companies, real estate investment trusts, banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities, commodities, or currencies;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our Class A common stock being taken into account in an applicable financial statement;

- tax-qualified retirement plans; and
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our Class A common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our Class A common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR CLASS A COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our Class A common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section titled "Dividend policy," we do not anticipate declaring or paying dividends to holders of our Class A common stock in the foreseeable future. However, if we do make distributions of cash or property on our Class A common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its Class A common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or other taxable disposition."

Subject to the discussion below on effectively connected income and FATCA withholding, dividends paid to a Non-U.S. Holder of our Class A common stock will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment or fixed base in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates applicable to U.S. Holders. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or other taxable disposition

Subject to the discussion below regarding backup withholding and FATCA withholding, in general, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our Class A common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment or fixed base in the United States to which such gain is attributable);
- the Non-U.S. Holder is a non-resident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our Class A common stock constitutes a U.S. real property interest ("USRPI") by reason of our status as a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates applicable to U.S. Holders. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our Class A common stock will not be subject to U.S. federal income tax if our Class A common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market during the calendar year in which the disposition occurs, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our outstanding Class A common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period. If we are a USRPHC and the foregoing exception does not apply to a disposition of our Class A common stock by a Non-U.S. Holder, such Non-U.S. Holder generally will be taxed on its net gain derived from the disposition at the regular U.S. federal income tax rates applicable to U.S. Holders. No assurance can be provided that our Class A common stock will continue to be regularly traded on an established securities market for purposes of the rules described above.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information reporting and backup withholding

Payments of dividends on our Class A common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a U.S. person (as defined in the Code) and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI (or other applicable or successor form), or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our Class A common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our Class A common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a U.S. person, or the holder otherwise establishes an exemption. Proceeds of a disposition of our Class A common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. Holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

Additional withholding tax on payments made to foreign accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code and the U.S. Treasury Regulations and other administrative guidance issued thereunder, such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our Class A common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any direct or indirect "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our Class A common stock. Although withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, recently proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our Class A common stock.

Underwriting

The selling stockholders are offering the shares of Class A common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC and Citigroup Global Markets Inc. are acting as the book-running managers of the offering and as representatives of the underwriters. We and the selling stockholders have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, the selling stockholders have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of Class A common stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities LLC	
Citigroup Global Markets Inc.	
Credit Suisse Securities (USA) LLC	
RBC Capital Markets, LLC	
JMP Securities LLC	
Keefe, Bruyette & Woods, Inc.	
William Blair & Company, L.L.C.	
Canaccord Genuity LLC	
Total	

The underwriters are committed to purchase all the common stock offered by the selling stockholders if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common stock directly to the public at the public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the public offering price. After the initial offering of the shares to the public, if all of the common stock are not sold at the public offering price, the underwriters may change the offering price and the other selling terms. Sales of any shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to 1,050,000 additional shares of Class A common stock from the selling stockholders to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of Class A common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of Class A common stock less the amount paid by the underwriters to the selling stockholders per share of Class A common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Per share	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Shares sold by the selling stockholders	$	$	$

We estimate that the total expenses of this offering, including registration, filing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $ million.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

Subject to certain exceptions, we have agreed that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, loan, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC and Citigroup Global Markets Inc. for a period of 90 days after the date of this prospectus or the expiration of the lock-up agreements entered into in connection with our IPO, whichever is longer; however, for purposes of this offering, J.P. Morgan Securities LLC and Citigroup Global Markets Inc. have released the restrictions under the lock-up agreements entered into in connection with our IPO applicable to the selling stockholders solely to the extent required to sell the shares being offered and sold in this offering.

The restrictions on our actions, as described above, do not apply to certain transactions, including (i) the issuance of shares of our common stock or securities convertible into or exercisable for shares of our common stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of RSUs (including net settlement), in each case outstanding on the date of the underwriting agreement and described in this prospectus; (ii) grants of stock options, stock awards, restricted stock, RSUs, or other equity awards and the issuance of shares of our common stock or securities convertible into or exercisable or exchangeable for shares of our common stock (whether upon the exercise of stock options or otherwise) to our employees, officers, directors, advisors, or consultants pursuant to the terms of an equity compensation plan in effect as of the closing of this offering and described in this prospectus, provided that such recipients enter into a lock-up agreement with the underwriters; (iii) our filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of the underwriting agreement and described in this prospectus or any assumed benefit plan pursuant to an acquisition or similar strategic transaction; (iv) the issuance of shares of common stock or other securities (including securities convertible into shares of common stock) in connection with the acquisition by us or any of our subsidiaries of the securities, businesses, properties or other assets of another person or entity pursuant to any employee benefit plan that we assume in connection with any such acquisition; (v) the issuances of common stock or other securities (including securities convertible into shares of common stock) in connection with joint ventures, commercial relationships or other strategic transactions, provided that in the case of clauses (iv) or (v), the aggregate number of shares of common stock issued in all such acquisitions and transactions does not exceed 5.0% of our outstanding common stock following the offering of the shares and any recipients of such shares enter into a lock-up agreement with the underwriters.

Subject to certain exceptions, the selling stockholders, our directors and executive officers and certain other holders of equity interests in QL Holdings LLC (such persons, the “lock-up parties”) have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each lock-up party, for a period of 90 days after the date of this prospectus, or the expiration of the lock-up agreements entered into in connection with our IPO, whichever is longer (such period, the "restricted period"), may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of J.P. Morgan Securities LLC and Citigroup Global Markets Inc., (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such lock-up parties in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant (collectively with the common stock, the "lock-up securities")), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of lock-up securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (4) publicly disclose the intention to do any of the foregoing. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (by any person or entity, whether or not a signatory to such agreement) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph and contained in the lock-up agreements between the underwriters and the lock-up parties do not apply, subject in certain cases to various conditions, to certain transactions, including (a) transfers of lock-up securities: (i) as bona fide gifts, or for bona fide estate planning purposes, (ii) by will or intestacy, (iii) to any immediate family member or any trust for the direct or indirect benefit of the lock-up party or any immediate family member, (iv) to a partnership, limited liability company, or other entity of which the lock-up party and its immediate family members are the legal and beneficial owner of all of the outstanding equity securities or similar interests, (v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv), (vi) in the case of a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust, or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the lock-up party or its affiliates or (B) as part of a distribution to members or stockholders of the lock-up party; (vii) by operation of law, (viii) to us from an employee upon death, disability, or termination of employment of such employee, (ix) as part of a sale of lock-up securities acquired in open market transactions after the completion of this offering, (x) to us in connection with the vesting, settlement, or exercise of restricted stock units, options, warrants, or other rights to purchase shares of our common stock (including "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments, (xi) pursuant to a bona fide third-party tender offer, merger, consolidation, or other similar transaction approved by our Board of Directors and made to all shareholders involving a change in control, provided that if such transaction is not completed, all such lock-up securities would remain subject to the restrictions in the immediately preceding paragraph, (xii) by pledging, hypothecating or otherwise granting a security interest in the lock-up securities to one or more lending institutions as collateral or security for any *bona fide* loan, advance or extension of credit and transferring upon foreclosure upon such lock-up securities, provided that the transferee or transferees agree(s) to be subject to restrictions similar to those in the immediately preceding paragraph, and (xiii) the exchange of Class B-1 units of QL Holdings LLC and a corresponding number of shares of our Class B common stock for shares of our Class A common stock pursuant to the exchange agreement; (b) exercise of the options, settlement of RSUs, or other equity awards, or the exercise of warrants granted pursuant to plans described in this prospectus, provided that any lock-up securities received upon such exercise, vesting or settlement would be subject to restrictions similar to those in the immediately preceding paragraph; (c) the conversion of outstanding preferred stock, warrants to acquire preferred stock, or convertible securities into shares of our common stock or warrants to acquire shares of our common stock, provided that any common stock or warrant received upon such conversion would be subject to restrictions similar to those in the immediately preceding paragraph; and (d) the establishment by lock-up parties of trading plans under Rule 10b5-1 under the Exchange Act, provided that such plan does not provide for the transfer of lock-up securities during the restricted period.

J.P. Morgan Securities LLC and Citigroup Global Markets Inc., in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Our shares of Class A common stock are listed on NYSE under the symbol “MAX.”

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of Class A common stock in the open market for the purpose of preventing or retarding a decline in the market price of the Class A common stock while this offering is in progress. These stabilizing transactions may include making short sales of Class A common stock, which involves the sale by the underwriters of a greater number of shares of Class A common stock than they are required to purchase in this offering, and purchasing shares of Class A common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class A common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the Class A common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase Class A common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the Class A common stock or preventing or retarding a decline in the market price of the Class A common stock, and, as a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE, in the over-the-counter market or otherwise.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Other relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Selling restrictions

Notice to prospective investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to prospective investors in the European Economic Area and United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "Relevant State"), no shares have been offered or will be offered pursuant to this offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the underwriters; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and the Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Notice to prospective investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Notice to prospective investors in Japan

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to prospective investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong) (the "CO") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Notice to prospective investors in Singapore

Each representative has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each representative has represented and agreed that it has not offered or sold any shares or caused the shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares or cause the shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notice to prospective investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Legal matters

The validity of the shares of Class A common stock offered hereby will be passed upon for us by Cravath, Swaine & Moore LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

Experts

The financial statements as of December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 included in this Prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Where you can find more information

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act with respect to the shares of Class A common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the Class A common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed thereto. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement.

The SEC maintains an internet website, which is located at www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You may access the registration statement for this offering at the SEC's internet website.

We are subject to the informational and periodic reporting requirements of the Exchange Act. We will continue to fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. We intend to furnish our stockholders with annual reports containing financial statements certified by an independent registered public accounting firm. We also maintain a website at www.mediaalpha.com. The information contained in, or which can be accessed through, our website does not constitute a part of this prospectus and you should not consider information contained on our website when deciding whether to purchase shares of our Class A common stock.

Index to financial statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of MediaAlpha, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of MediaAlpha, Inc. and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, of redeemable Class A units, members' equity (deficit), and stockholders' equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes and schedule of valuation and qualifying accounts and allowances for each of the three years in the period ended December 31, 2020 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. 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.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts

March 15, 2021

We have served as the Company's auditor since 2017.

MediaAlpha, Inc.
Consolidated Balance Sheets

(In thousands, except share data and per share amounts)

	As of December 31, 2020	As of December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 23,554	$ 10,028
Accounts receivable, net of allowance for doubtful accounts	96,295	56,012
Prepaid expenses and other current assets	7,950	1,448
Total current assets	$ 127,799	$ 67,488
Property and equipment, net	762	755
Intangible assets, net	15,551	18,752
Goodwill	18,402	18,402
Deferred tax assets	31,613	—
Other non-current assets	16,210	—
Total assets	$ 210,337	$ 105,397
Liabilities, Redeemable Class A units and Stockholders'/Members' (Deficit)		
Current liabilities		
Accounts payable	98,249	40,455
Accrued expenses	9,206	6,584
Current portion of long-term debt	—	873
Total current liabilities	$ 107,455	$ 47,912
Long-term debt, net of current portion	182,668	96,665
Liabilities under tax receivable agreement	22,498	—
Other long-term liabilities	2,834	319
Total liabilities	$ 315,455	$ 144,896
Redeemable Class A units	—	74,097
Stockholders'/Members' (deficit) equity:		
Members' Equity	—	79,547
Class A common stock, $0.01 par value—1.0 billion shares authorized; 33.4 million shares issued and outstanding as of December 31, 2020.	334	—
Class B common stock, $0.01 par value—100 million shares authorized;25.5 million shares issued and outstanding as of December 31, 2020	255	—
Preferred stock, $0.01 par value—50 million shares authorized; 0 shares issued and outstanding as of December 31, 2020	—	—
Additional paid-in capital	384,611	—
Accumulated Deficit	(418,973)	(193,143)
Total stockholders' (deficit) attributable to MediaAlpha Inc., and members' (deficit)	$ (33,773)	$ (113,596)
Non-controlling interests	(71,345)	—
Total stockholders'/members' deficit	$ (105,118)	$ (113,596)
Total liabilities and stockholders'/members' deficit	$ 210,337	$ 105,397

The accompanying notes are an integral part of these consolidated financial statements.

MediaAlpha, Inc.
Consolidated Statements of Operations

(In thousands, except share data and per share amounts)

	Year ended December 31,		
	2020	**2019**	**2018**
Revenue	$ 584,814	$408,005	$296,910
Cost and operating expenses			
Cost of revenue	499,434	342,909	247,670
Sales and marketing	20,483	13,822	11,739
Product development	12,449	7,042	10,339
General and administrative	32,913	19,391	7,843
Total cost and operating expenses	565,279	383,164	277,591
Income from operations	19,535	24,841	19,319
Other expense	2,302	—	—
Interest expense	7,938	7,021	1,194
Total other expense	10,240	7,021	1,194
Income before income taxes	9,295	17,820	18,125
Income tax (benefit)	(1,267)	—	—
Net income	$ 10,562	$ 17,820	$ 18,125
Net income attributable to QLH prior to Reorganization Transactions	19,166	17,820	18,125
Net (loss) attributable to non-controlling interest	(4,238)	—	—
Net income attributable to MediaAlpha, Inc.	$ (4,366)	$ —	$ —
Net (loss) per share of Class A common stock—basic and diluted [(1)]	$ (0.14)	$ —	$ —
Weighted average shares of Class A common stock outstanding—basic and diluted [(1)]	32,134,170	—	—

(1) Represents net loss per share of Class A common stock and weighted-average shares of Class A common stock outstanding for the portion of the period following the Reorganization Transactions and MediaAlpha, Inc.'s initial public offering described in Note 1- Organization. See Note 12—Net Loss Per Share for additional details.

The accompanying notes are an integral part of these consolidated financial statements.

MediaAlpha, Inc.
Consolidated Statements of Redeemable Class A units, Members' Equity (Deficit), and Stockholders' Equity (Deficit)
(In thousands, except share data)

	Redeemable Class A		Members' Equity (deficit)	Class A common stock		Class B common stock		Additional Paid-In Capital	Accumulated Deficit	Non-Controlling Interest	Total shareholders' Equity (Deficit)
	Units	Amount	Amount	Units	Amount	Units	Amount	Amount	Amount	Amount	
Balance at December 31, 2017	—	$ —	$ 75,129	—	$ —	—	$ —	$ —	$ (37,720)	$ —	$ 37,409
Equity-based compensation	—	—	824	—	—	—	—	—	—	—	824
Member distributions	—	—	—	—	—	—	—	—	(15,878)	—	(15,878)
Net income	—	—	—	—	—	—	—	—	18,125	—	18,125
Balance at December 31, 2018	—	$ —	$ 75,953	—	$ —	—	$ —	$ —	$ (35,473)	$ —	$ 40,480
Issuance of Class A units	284,211	62,806	—	—	—	—	—	—	—	—	—
Class A units repurchased	—	—	—	—	—	—	—	—	(62,806)	—	(62,806)
Remeasurement of redeemable Class A units	—	11,291	—	—	—	—	—	—	(11,291)	—	(11,291)
Class B units repurchased	—	—	—	—	—	—	—	—	(5,753)	—	(5,753)
Equity-based compensation	—	—	3,594	—	—	—	—	—	—	—	3,594
Member distributions	—	—	—	—	—	—	—	—	(95,640)	—	(95,640)
Net income	—	—	—	—	—	—	—	—	17,820	—	17,820
Balance at December 31, 2019	284,211	$ 74,097	79,547	—	$ —	—	$ —	$ —	$ (193,143)	$ —	$ (113,596)
Remeasurement of redeemable Class A units	—	106,969	—	—	—	—	—	—	(106,969)	—	(106,969)
Class B units repurchased	—	—	—	—	—	—	—	—	(2,244)	—	(2,244)
Equity-based compensation	—	—	5,571	—	—	—	—	—	—	—	5,571
Member distributions	—	—	—	—	—	—	—	—	(131,417)	—	(131,417)
Net income before Reorganization Transactions	—	—	—	—	—	—	—	—	19,166	—	19,166
Effect of Reorganization transactions	(284,211)	(181,066)	(85,118)	26,141,535	261	30,308,492	303	370,304	—	(79,735)	206,015
Establishment of liabilities under tax receivable agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	—	—	—	(16,354)	—	—	(16,354)

	Redeemable Class A		Members' Equity (deficit)	Class A common stock		Class B common stock		Additional Paid-In Capital	Accumulated Deficit	Non-Controlling Interest	Total shareholders' Equity (Deficit)
	Units	Amount	Amount	Units	Amount	Units	Amount	Amount	Amount	Amount	
Issuance of Class A common stock, net of issuance costs	—	$ —	$ —	7,027,606	$ 71	—	$ —	$ 111,881	$ —	$ —	$ 111,952
Repurchase of Class B common stock	—	—	—	—	—	(4,772,449)	(48)	(96,858)	—	(12,538)	(84,368)
Vesting of restricted stock units	—	—	—	230,047	2	—	—	—	—	—	2
Equity- based compensation, net of forfeitures	—	—	—	(28,132)	—	—	—	19,873	—	90	19,963
Shares withheld on tax withholding on vesting of restricted stock units	—	—	—	—	—	—	—	(4,235)	—	—	(4,235)
Net (loss) after Reorganization Transactions	—	—	—	—	—	—	—	—	(4,366)	(4,238)	(8,604)
Balance at December 31, 2020	—	$ —	$ —	33,371,056	$ 334	25,536,043	$ 255	$ 384,611	$ (418,973)	$ (71,345)	$ (105,118)

The accompanying notes are an integral part of these consolidated financial statements.

MediaAlpha, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Year ended December 31,		
	2020	**2019**	**2018**
Cash Flows from operating activities			
Net income	$ 10,562	$ 17,820	$18,125
Adjustments to reconcile net income to net cash provided by operating activities:			
Non-cash equity-based compensation expense	24,745	2,308	824
Depreciation expense on property and equipment	289	272	187
Amortization of intangible assets	3,201	5,381	11,769
Amortization of deferred debt issuance costs	1,228	665	15
Loss on extinguishment of debt	1,998	—	—
Bad debt expense	526	354	533
Deferred taxes	(545)	—	—
Tax receivable agreement liability adjustments	413	—	—
Changes in operating assets and liabilities:			
Accounts receivable	(40,809)	(19,216)	(5,155)
Prepaid expenses and other current assets	(6,482)	(162)	(262)
Other assets	(4,375)	—	—
Accounts payable	57,793	13,441	(5,373)
Accrued expenses	2,866	1,280	1,986
Net cash provided by operating activities	$ 51,410	$ 22,143	$22,649
Cash flows from investing activities			
Purchases of property and equipment	(296)	(146)	(630)
Acquisition of intangible assets	—	(148)	(10)
Purchase of cost method investment	(10,000)	—	—
Net cash (used in) investing activities	$ (10,296)	$ (294)	$ (640)
Cash flows from financing activities			
Proceeds received from:			
Proceeds from issuance of Class A common stock, net of underwriter commission	124,179	—	—
Issuance of long-term debt	210,000	100,000	—
Revolving line of credit	7,500	—	3,000
Member contributions	—	62,806	—
Payments made for:			
Repayments on revolving line of credit	(7,500)	—	(9,000)
Repayments on long-term debt	(123,648)	(15,073)	(3,567)
Debt issuance costs	(4,467)	(2,303)	—
Repurchase of Class B at QLH units up to fair value	(1,453)	(4,467)	—
IPO costs to third parties	(12,227)	—	—
Shares withheld for taxes on vesting of restricted stock units	(4,235)	—	—

	Year ended December 31,		
	2020	2019	2018
Repurchase of Class B common stock	$ (84,320)	$ —	$ —
Redemption of Class A units	—	(62,806)	—
Member distributions	(131,417)	(95,640)	(15,878)
Net cash (used in) financing activities	$ (27,588)	$ (17,483)	$ (25,445)
Net increase (decrease) in cash and cash equivalents	13,526	4,366	(3,436)
Cash and cash equivalents, beginning of period	10,028	5,662	9,098
Cash and cash equivalents, end of period	$ 23,554	$ 10,028	$ 5,662
Supplemental disclosures of cash flow information			
Cash paid during the period for:			
Interest	$ 6,040	$ 6,399	$ 1,201
Redemption of Class B units of QLH in excess of fair value	$ 791	$ 1,286	$ —
Non-cash Investing and Financing Activities:			
Establishment of liabilities under the tax receivable agreement in connection with the Reorganization Transactions	$ (22,085)	$ —	$ —
Establishment of tax indemnification receivable in connection with the Reorganization Transactions	$ (1,835)	$ —	$ —
Establishment of deferred tax assets in connection with the Reorganization Transactions	$ (31,068)	$ —	$ —

The accompanying notes are an integral part of these consolidated financial statements.

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

1. Organization and Background

Nature of business

MediaAlpha specializes in end customer acquisition for insurance carriers, distributors and other clients in various verticals, including property & casualty insurance, health insurance and life insurance. The corporate headquarters is in Los Angeles, California, with additional offices throughout the United States.

Organization and Initial Public Offering

MediaAlpha, Inc. was incorporated as a Delaware corporation on July 9, 2020 in contemplation of an initial public offering ("IPO"). Following a series of reorganization transactions, we serve as the ultimate holding company, by and through our wholly owned subsidiary Guilford Holdings, Inc. ("Intermediate Holdco"), of QL Holdings LLC ("QLH") and its subsidiaries. QLH was formed on March 7, 2014 as a Delaware limited liability company.

On October 30, 2020 we completed our IPO and sold 7,027,606 shares of Class A Common Stock at a public offering price of $19.00 per share, which includes 769,104 shares sold in connection with the full exercise of the underwriter's option to purchase additional shares. We received $124.2 million, net of underwriting discounts and commissions.

In connection with the completion of our IPO, we completed a series of reorganization transactions ("Reorganization Transactions") pursuant to a reorganization agreement by and among Parent Company, Intermediate Holdco, QLH, and certain other parties. The Reorganization Transactions included the following:

- the amendment and restatement of the articles of incorporation and bylaws of Parent Company (the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws) pursuant to which we amended and restated our certificate of incorporation to authorize two classes of common stock, Class A common stock and Class B common stock;
- the amendment and restatement of QLH's limited liability company agreement (the Fourth Amended and Restated Limited Liability Agreement of QLH) to, among other things, convert legacy Class A units of QLH held by Intermediate Holdco into voting, managing member Class A-1 units and to convert all other legacy Class A and Class B units held by Insignia, the Senior Executives and Legacy Profit Interests Holders into non-managing member, non-voting Class B-1 units of QLH;
- the contribution by White Mountains Capital, Inc. of Intermediate Holdco to Parent Company in exchange for 24,142,096 shares of Class A common stock of Parent Company; and
- the issuance of 30,308,492 shares of Class B common stock to Insignia, Senior Executives and the Legacy Profit Interests Holders, and the issuance of 1,999,439 shares of Class A common stock to the Legacy Profit Interests Holders.

As a result, MediaAlpha, Inc., through Intermediate Holdco, is the sole managing member of QLH and consolidates the financial results of QLH and its subsidiaries and reports a non-controlling interest related to the portion of Class B-1 Units not owned by MediaAlpha, Inc. The Reorganization was considered a transaction between entities under common control. As a result, the financial statements for periods prior to our IPO and the Reorganization Transactions have been adjusted to combine the previously separate entities for presentation purposes.

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

Exchange Agreement

On October 27, 2020, the Company entered into an exchange agreement with Insignia and the Senior Executives, which each hold Class B common stock. Pursuant to and subject to the terms of the exchange agreement and the fourth amended and restated limited liability company agreement of QLH, holders of Class B common stock, from time to time, may exchange one Class B share, together with a corresponding Class B-1 unit, for one share of the Company's Class A common stock (or, at the Company's election, cash of an equivalent value).

We have reserved for issuance 25,536,043 shares of our Class A common stock for potential exchange in the future for Class B-1 units, which equals the aggregate number of shares of Class B common stock outstanding. Exchange of the Class B-1 units and Class B common stock is at the unit holder's discretion and the exchange does not have fixed or determinable dates or prices.

Tax Receivables Agreement

In connection with our IPO, we entered into a tax receivables agreement ("TRA") with Insignia, the Senior Executives, and White Mountains related to the tax basis step-up of the assets of QLH and certain net operating losses of Intermediate Holdco. The agreement requires us to pay Insignia and the Senior Executives 85% of the cash savings, if any, in U.S. federal, state and local income tax we realize (or are deemed to realize) as a result of (i) any increases in tax basis following our purchase (through Intermediate Holdco) of Class B-1 units of QLH from certain unitholders (including the Selling Class B-1 Unit Holders) in connection with the IPO, as well as any future exchanges described above; (ii) the pre-IPO leveraged distribution and actual or deemed other distributions by QLH to its members that result in tax basis adjustments to the assets of QLH, and (iii) certain other tax benefits attributable to payments under the TRA itself.

The TRA also requires us to pay White Mountains 85% of the amount of the cash savings, if any, in U.S. federal, state and local income tax that we realize (or are deemed to realize) as a result of the utilization of the net operating losses of Intermediate Holdco attributable to periods prior to the IPO and the deduction of any imputed interest attributable to our payment obligations under the TRA.

Impact of COVID-19

The COVID-19 pandemic continues to impact the United States and many countries around the world. The outbreak and government measures taken in response have had a significant impact, both direct and indirect, on businesses and commerce. The future progression of the pandemic and its effects on our business and operations are uncertain and we are unable to estimate the full impact at this time. However, our travel vertical has experienced a decline in revenue and, although we do not believe the situation will materially impact our liquidity or capital position, we do not expect revenue from the travel vertical to recover in the foreseeable future.

We are monitoring the potential impact of the COVID-19 pandemic on our business, results of operations and financial condition. To date, we have not experienced material business disruptions or incurred impairment losses in the carrying values of our assets as result of the pandemic and are not aware of any specific related event or circumstance that would require us to revise the estimates reflected in these consolidated financial statements. The extent to which the COVID-19 pandemic will further impact our business, results of operations

MediaAlpha, Inc.
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and financial condition, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning COVID-19, the actions taken to contain or treat it, and the duration and intensity of the related effects.

2. Summary of significant accounting policies

Basis of presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission. The consolidated financial statements include the accounts of MediaAlpha, Inc. and its consolidated subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

As discussed in Note 1, as a result of our IPO and Reorganization, MediaAlpha, Inc., through Intermediate Holdco, is the sole managing member of QLH and consolidates the financial results of QLH and its subsidiaries and reports a non-controlling interest related to the portion of Class B-1 Units not owned by MediaAlpha, Inc., which reduces net income attributable to holders of MediaAlpha Inc.'s Class A common stock. The Reorganization was considered a transaction between entities under common control. As a result, the financial statements for periods prior to our IPO and the Reorganization Transactions have been adjusted to combine the previously separate entities for presentation purposes.

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, certain disclosures at the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, valuation of goodwill and long-lived assets for impairment, inputs into the valuation of our equity-based compensation related QLH Class B Units, estimates of deferred tax assets related to the step-up in basis under the TRA, and the associated liability under the TRA. Significant estimates affecting the consolidated financial statements have been prepared on the basis of the most current and best available information, including historical experience, known trends and other market-specific or other relevant factors that we believe to be reasonable. On an ongoing basis, management evaluates its estimates, as there are changes in circumstances, facts and experience. Changes in estimates are recorded in periods which they become known. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition, including revenues, expenses, reserves and allowances, asset recoverability, and employee-related amounts, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning COVID-19 and the actions taken to contain it or treat COVID-19, as well as the economic impact on our customers and markets. We have made estimates of the impact of COVID-19 within our financial statements and there may be changes to those estimates in future periods. Actual results may differ from these estimates.

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Notes to the Consolidated Financial Statements

Revenue recognition

The Company generates revenue by delivering qualified calls, leads and click transactions (“Consumer Referrals”) to its buyer customers who acquire Consumer Referrals (“customers” or “buyers”) on its technology platform.

On January 1, 2018, the Company adopted Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers* (“ASC 606”), as issued by the Financial Accounting Standards Board (“FASB”), which governs how the Company recognizes revenue derived from the Consumer Referrals. The Company recognizes revenue when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company is entitled. The Company recognizes revenue pursuant to the framework contained in ASC 606: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) determine the transaction price, including the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when the Company satisfies the performance obligations.

Generally, the Company’s contracts with buyers specify a period of time covered and a budget governing spend limits. Many of our agreements with our partners have no fixed term and are cancellable upon 30 or 60 days’ notice without penalty. As a result, the transaction price for the delivery of each Consumer Referral is determined and recorded in real time and no estimation of variable consideration or future consideration is required. The transaction with the Company’s customer is for the delivery of Consumer Referrals.

The Company has assessed the services promised in its contracts with customers and has identified one performance obligation, which is the delivery of Consumer Referrals that meet its customers’ specifications.

Consumer Referral transactions are summarized as follows:

- Click revenue is recognized on a pay-per-click basis and revenue is earned and recognized when a consumer clicks on a listed buyer’s advertisement, presented subsequent to a consumer search (e.g. auto insurance quote search or health insurance quote search).
- Call revenue is earned and recognized when a consumer transfers to a call buyer and remains engaged for a requisite duration of time, as specified by each buyer.
- Lead revenue is recognized when the Company delivers data leads to buyer. Data leads are generated through insurance carriers or insurance-focused research destination websites who make the data leads available to buy through the Company’s platform or when users complete a full quote request on the Company’s proprietary websites. Delivery occurs at the time of lead transfer.

The Company satisfies its performance obligation as services are provided. The Company does not promise to provide any other significant goods or services to its customers after delivery. The Company generally does not offer a right of return.

The Company bills customers monthly in arrears for Consumer Referrals delivered during the preceding month. The Company’s standard payment terms are 30-60 days. Consequently, the Company does not have significant financing components in its arrangements.

In the Company’s open platform transactions, the Company has control over the Consumer Referrals that are sold to buyers. In these arrangements, the Company has separate agreements with its customers and suppliers

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

(or “supply partners” or “sellers”). Suppliers are neither party to the contractual arrangements with the Company’s customers, nor are the suppliers the beneficiaries of the Company’s customer agreements. The Company earns fees from its customers and separately pays internet search companies to drive consumers to the Company’s proprietary websites and suppliers. The Company is the principal in the open platform transactions. As a result, the fees paid by its customers are recognized as revenue and the fees paid to its suppliers are included in cost of revenue.

With respect to our private platform transactions, buyers and supply partners contract with one another directly and leverage the Company’s platform to facilitate transparent, real-time transactions utilizing the reporting and analytical tools available to them through the Company’s platform. The Company charges a platform fee on the Consumer Referrals transacted. The Company acts as an agent in the private platform transactions and recognizes revenue on the platform fee received. The Company recognizes revenue concurrent with Consumer Referral transactions that are facilitated by the platform. There are no separate payments made by the Company to supply partners in the Company’s private platform transactions. The Company has elected to exclude sales tax from revenue as permitted by ASC 606-10.

Cash and cash equivalents

Cash and cash equivalents consist entirely of cash deposits.

Accounts receivable

The Company provides credit to customers in the ordinary course of business and believes its credit policies are prudent and reflect industry practices and business risk. Accounts receivable are stated at amounts due from customers. The Company reviews accounts receivable on a periodic basis and determines an allowance for doubtful accounts by considering a number of factors including the length of time trade accounts receivable are past due, the Company’s previous loss history, the customer’s current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. The Company writes off outstanding accounts receivable against the allowance when the Company has exhausted all collection efforts and the potential recovery is considered remote. Payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

The Company reported an allowance for doubtful accounts of $0.4 million as of December 31, 2020 and $0.3 million as of December 31, 2019.

Concentrations of Credit Risk and of Significant Customers and Suppliers

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains cash balances that can, at times, exceed amounts insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in these accounts, and believes it is not exposed to unusual credit risk beyond the normal credit risk in this area based on the financial strength of institutions with which the Company maintains its deposits.

The Company’s accounts receivable, which are unsecured, may expose the Company to credit risk due to collectability. The Company controls credit risk by investigating the creditworthiness of all customers prior to establishing relationships with them, performing periodic reviews of the credit activities of those customers during the course of the business relationship, regularly analyzing the collectability of accounts receivables, and recording allowances for doubtful accounts when these receivables become uncollectible.

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Customer concentrations for the years ended December 31, 2020 and 2019 consisted of one customer that accounted for approximately $132.3 million, or 23%, and $78.8 million, or 19%, of revenue, respectively. Our two largest customers accounted for approximately $23.7 million and $9.8 million, or 24% and 10%, respectively of the Company's accounts receivable as of December 31, 2020 compared to one customer for approximately $4.7 million, or 8%, as of December 31, 2019.

The Company's accounts payable can expose the Company to business risks such as supplier concentrations. For the year ended December 31, 2020, supplier concentrations consisted of one supplier that accounted for approximately $60.0 million, or 11% of total purchases and for the twelve months ended December 31, 2019 two suppliers that accounted for approximately $84.6 million, or 24%, of total purchases. Our two largest suppliers accounted for approximately $24.5 million, or 25%, of the Company's total accounts payable as of December 31, 2020 compared to $14.7 million, or 36%, as of December 31, 2019.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization expense is calculated using the straight-line method over the estimated useful lives of each asset as follows:

	Estimated useful life
Leasehold improvements	The shorter of their lease term or the estimated useful life of the improvements
Computer	3 years
Furniture and fixtures	3 years

Betterments, renewals, and extraordinary repairs that materially extend the useful lives of assets are capitalized; other repairs and maintenance charges are expensed as incurred. The cost and related accumulated depreciation and amortization applicable to assets retired are removed from the accounts, and the gain or loss on disposition is recognized in the consolidated statement of operations for the period.

Internal-use software development costs

The Company capitalizes certain costs incurred in connection with developing internal use software. The Company expenses all costs that relate to the planning and post-implementation phases of development as operating expenses. Costs incurred in the development phase are capitalized and amortized over the product's estimated useful life. Costs associated with the repair or maintenance of existing software is included in operating expenses. Amortization expense for capitalized internal-use software development costs is calculated using the straight-line method over the estimated useful life of the software, which is approximately three years.

As the Company's software product is mature, costs incurred on development of new features and functionality in 2020 and 2019 were insignificant; therefore, the Company did not capitalize any software development costs during the period.

Business Combinations

The Company accounts for business combinations in accordance with ASC Topic 805, which requires, among other things, the acquiring entity in a business combination to recognize the fair value of all the assets acquired

MediaAlpha, Inc.
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and liabilities assumed; the recognition of acquisition-related costs in the consolidated results of operations; the recognition of restructuring costs in the consolidated results of operations for which the acquirer becomes obligated after the acquisition date; and contingent purchase consideration to be recognized at their fair values on the acquisition date with subsequent adjustments recognized in the consolidated results of operations. The excess of the purchase price over the fair value of the identified assets and liabilities is recorded as goodwill. Operating results of the acquired entity are reflected in the Company's consolidated financial statements from date of acquisition.

Goodwill and intangible assets

Goodwill is calculated as the excess of the purchase consideration paid in a business combination over the fair value of the assets acquired less liabilities assumed. Goodwill is not amortized, but rather is evaluated for impairment on an annual basis, or whenever indications of potential impairment exist. In the absence of any indications of potential impairment, the evaluation of goodwill is performed during the fourth quarter of each year. For the purposes of goodwill impairment testing, the Company has one reporting unit.

Goodwill impairment is the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. When testing goodwill for impairment, the Company first performs a qualitative assessment to determine whether it is necessary to perform a goodwill impairment test. The Company is required to perform a goodwill impairment test only if it concludes that it is more likely than not that the reporting unit's fair value is less than the carrying value of its assets. Should this be the case, the next step is to identify whether a potential impairment exists by comparing the estimated fair value of the reporting unit with the carrying value, including goodwill. If the estimated fair value of the reporting unit exceeds the carrying value, goodwill is not considered to be impaired and no additional steps are necessary. If, however, the fair value of the reporting unit is less than its carrying value, then the amount of the impairment loss is the amount by which the reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill.

Finite-lived intangible assets include technology and intellectual property, customer relationships, costs to acquire third-party publishers, non-compete agreements and domain names stated net of accumulated amortization or impairment charges. These assets are amortized over their estimated useful lives based on methods that approximate the pattern in which the economic benefits are expected to be realized. The amortization periods range from 2 years to 10 years.

For the years ended December 31, 2020 and 2019, there were no impairments recognized for goodwill or intangible assets, based on the testing performed at the end of each fiscal year.

Impairment of long-lived assets

Long-lived assets such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends, and significant changes or planned changes in the use of the assets. An impairment loss is recognized on long-lived assets in the consolidated statements of operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of the assets. In such cases,

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the carrying value of these assets are adjusted to their estimated fair values and assets held for sale are adjusted to their estimated fair values less selling expenses.

For the years ended December 31, 2020 and 2019, there were no impairments recognized for long-lived assets.

Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are recognized initially at their settlement value and are classified as current liabilities if payment is due within one year or less. Accounts payable as of December 31, 2020 and 2019 consist of payments to suppliers and costs to acquire traffic from search engines.

Deferred debt issuance costs

Costs incurred that are directly associated with obtaining access to capital under credit facilities are capitalized and amortized to interest expense over the terms of the applicable debt agreements using the effective interest method. Unamortized deferred costs are presented as a direct deduction from the carrying amount of the related long-term debt on the accompanying consolidated balance sheets.

Deferred initial public offering costs

Deferred offering costs are capitalized, and consist of legal, consulting, banking, and accounting fees directly attributable to the IPO. The Company reclassified $12.2 million for the year ended December 31, 2020 and $0.0 for the year ended December 31, 2019 and 2018, of offering costs into stockholders' equity as a reduction of the net proceeds received from the IPO. As of December 31, 2020 and 2019, no offering costs were deferred on the consolidated balance sheets.

Equity-based compensation

The Company incurs equity-based compensation expense primarily from restricted stock units ("RSUs"), and unvested LLC Units of QLH. Equity awards to employees are measured and recognized in the consolidated financial statements based on the fair value of the award on the grant date. For awards subject to service conditions only, the fair value of the award on the grant date is expensed on a straight-line basis over the requisite service period of the award. The grant date fair value of RSUs is determined using the market closing price of Class A common stock on the date of grant. The Company records forfeitures related to equity-based compensation for its awards based on actual forfeitures as they occur.

Prior to the IPO, the Company maintained a QLH Class B Restricted Unit Plan (the "QLH Plan"), whereby QLH had the authority to issue units in the form of profits interests to directors, employees, managers, independent contractors, and advisors of QLH and its subsidiaries upon approval of the Board of Directors. The Class B units were equity-classified share-based payments and were recognized utilizing the straight-line method. The fair value of the QLH Class B profits interests was determined on the grant date using the option pricing model. As per the original award terms, all unvested Profit Interest Units on the IPO date were exchanged into QLH Class B-1 units, which when vested, together with Class B common stock are exchangeable for Class A common stock. The awards are no longer in the form of profits interests post-IPO.

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The Company classifies equity-based compensation expense in its consolidated statements of operations in the same manner in which the recipient's payroll costs are classified or in which the recipient's service payments are classified.

Segment information

The Company operates in the United States and in a single operating segment. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is its chief executive officer, who reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. Since the Company operates in one operating segment, all required financial segment information can be found in the consolidated financial statements.

Related Party Transactions

Prior to the IPO, Members' equity, specifically the legacy Class A and Class B units in QLH, was held by related parties. Subsequent to the IPO, Class B common stock is also held by related parties. Therefore, equity transactions recorded in Members' equity or Class B common stock are related party transactions. We are also party to the Tax Receivable Agreements under which we are contractually committed to pay the Class B-1 unit holders in QLH 85% of the amount of any tax benefits that we actually realize, or in some cases are deemed to realize as a result of certain transactions.

Leases

The Company categorizes non-cancellable leases at their inception as either operating or capital leases. Costs for operating leases that include incentives such as payment escalations or rent abatements are recognized on a straight-line basis over the term of the lease. Additionally, inducements received from lessors are treated as a reduction of costs over the term of the agreement.

Valuation of redeemable Class A units

Mezzanine equity classification is required in accordance with ASC 480, Distinguishing Liabilities from Equity when an equity instrument is redeemable (1) at a fixed or determinable price on a fixed or determinable date, (2) at the option of the shareholder, or (3) upon the occurrence of an event that is not solely within the control of the reporting entity.

Prior to IPO, QLH's Class A units held by Insignia Capital Group featured redemption rights that were considered to be outside of the Company's control and subject to occurrence of uncertain future events. Conditionally redeemable Class A units (including Class A units that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within QLH's control) are classified as temporary equity. At all other times, shares of Class A units were classified as members' (deficit) equity. QLH recognizes changes in redemption value immediately as they occur and will adjust the carrying value of the security to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable Class A units are effected by charges to accumulated deficit.

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The redeemable Class A units are not part of the Company's equity structure subsequent to the IPO and Reorganization Transaction and thus are presented only in the comparative balance sheet.

Fair value measurements

The Company accounts for the fair value of its financial instruments in accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"). Non-recurring, non-financial assets and liabilities are also accounted for under the provisions of ASC 820.

ASC 820 defines fair value, establishes a framework for measuring fair value under US GAAP and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last unobservable:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The carrying values of the Company's accounts receivable, accounts payable and accrued expenses and other current liabilities approximate their fair values due to the short-term nature of these assets and liabilities. Although market quotes for the fair value of long-term debt related to the Company's revolving line of credit and term loan are not readily available, the Company believes its carrying value approximates fair value because the interest rates are variable and reflective of market rates and the debt may be repaid, in full or in part, without any penalty.

Sales taxes

ASC 606-10 provides that the presentation of taxes assessed by a governmental authority, which are directly imposed on revenue-producing transactions (i.e., sales, use, and excise taxes) between a seller and a customer, on a gross basis (included in revenue and costs), or on a net basis (excluded from revenue), is a management decision on accounting policies that should be disclosed. In addition, for any such taxes that are reported on a gross basis, the amounts of those taxes should be disclosed in the consolidated financial statements for each period for which a consolidated statement of operations is presented, if those amounts are significant. The Company has elected to exclude sales taxes from revenue.

Cost of revenue

The Company's cost of revenue is comprised primarily of payments to suppliers and traffic acquisition costs paid to top tier search engines as well as telephony infrastructure costs, internet and hosting, merchant fees,

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salaries and related expenses, amortization expense and other expenses. For the years ended December 31, 2020,2019 and 2018 cost of revenue was $499.4 million, $342.9 million, and $247.7 million respectively. The costs consisted primarily of 417.7 million of payments to suppliers and $74.4 million of traffic acquisition costs during 2020, $284.5 million of payments to suppliers and $54.2 million of traffic acquisition costs during 2019, and $210.1 million of payments to suppliers and $34.0 million of traffic acquisition costs during 2018. Other costs including salaries and related expenses, internet and hosting, amortization, and other expenses were $7.4 million, $4.2 million, and $3.5 million for the years ended December 31, 2020, 2019, and 2018, respectively.

Income taxes

The Company is taxed as a corporation and pays corporate federal, state and local taxes on income allocated to it from QLH subsequent to the Reorganization Transactions based upon MediaAlpha, Inc.'s economic interest held in QLH. QLH is treated as a pass-through partnership for income tax reporting purposes and not subject to federal income tax. Accordingly, the Company is not liable for income taxes on the portion of QLH's earnings not allocated to it.

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events included in our consolidated financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the consolidated financial statements and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized on our consolidated statement of operations in the period in which the enactment date occurs. The Company records valuation allowances against our deferred tax assets when they are more-likely-than-not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations.

The Company recognizes interest and penalties related to the liability for unrecognized tax benefits, if any, as a component of the income tax expense line in the accompanying consolidated statement of operations.

The Company records uncertain tax positions on the basis of a two-step process: (1) determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. As of the years ended December 31, 2020, the Company recognized $2.3 million in liabilities for uncertain tax positions included within other long-term liabilities on our consolidated balance sheet.

In January 2018, the FASB released guidance on the accounting for tax on the global intangible low-taxed income ("GILTI") provisions of the Act. The GILTI provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The guidance allows companies to make an accounting policy election to either (i) account for GILTI as a component of tax expense in the period in which they are subject to the rules (the period cost method), or (ii) account for GILTI in the Company's measurement of deferred taxes (the deferred method). After completing the analysis of the GILTI provisions, we elected to account for GILTI using the period cost method.

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Non-controlling interest

In connection with the Reorganization Transactions, the Company became, the sole managing member of QLH and as a result consolidates the results of operations of QLH. In accordance with the QLH's limited liability company agreement, the Company allocates the share of net income (loss) to the non-controlling interest pari-passu to their rights per the holding at a point in time. The non-controlling interests balance represents the holders of Class B-1 units.

Earnings (Loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to MediaAlpha, Inc. by the weighted-average number of shares of Class A common stock outstanding during the period. The Company's Class B common stock are excluded as it represents the voting rights of the legacy QLH holders and have no economic rights at MediaAlpha, Inc. Diluted earnings (loss) per share is computed giving effect to all potential weighted-average dilutive shares for the period following the Reorganization Transaction including Class B-1 units of QLH and Class A restricted shares that are convertible into Class A common stock and RSUs. The dilutive effect of outstanding awards, if any, is reflected in diluted earnings per share by application of the treasury stock method or if-converted method, as applicable.

Earnings per share is presented for the two-month period between the IPO of October 27, 2020 and the year ended December 31, 2020. Prior to the IPO the QLH membership structure consisted of Class A Units and B Units. MediaAlpha, Inc.'s current capital structure is not reflective of the capital structure of QLH prior to the Reorganization Transactions. Therefore, net (loss) per share has not been presented for the portion of the fiscal year ended prior to the completion of the Reorganization Transactions, or for the years ended December 31, 2019 and 2018.

Tax Receivable Agreement

The Company is a party to the TRA under which we are contractually committed to pay the non-controlling interest holders in QLH 85% of the amount of any tax benefits that we actually realize, or in some cases are deemed to realize as a result of certain transactions. Amounts payable under the TRA are contingent upon, among other things, the generation of future taxable income. The projection of future taxable income involves significant judgment. In projecting future taxable income, we consider our historical results and incorporate certain assumptions including the growth rate of the Company and the amount, character, and timing of the taxable income in the future. Actual taxable income may differ from our estimates, which could significantly impact the liability under the TRAs.

Comprehensive Income

For the year ended December 31, 2020, 2019, and 2018, the Company did not have any differences between its net income and comprehensive income.

New Accounting Pronouncements

As an "emerging growth company," the Jumpstart Our Business Startups Act, or the JOBS Act, allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until

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such pronouncements are made applicable to private companies. The Company has elected to use the adoption dates applicable to private companies. As a result, the Company's financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective date for new or revised accounting standards that are applicable to public companies.

Recently issued not yet adopted accounting pronouncements

In August 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40)—Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The ASU aligns the accounting for implementation costs incurred in a hosting arrangement that is a service contract with the accounting for implementation costs incurred to develop or obtain internal-use software under ASC 350-40. Costs for implementation activities in the application development stage are capitalized depending on the nature of the costs, while costs incurred during the preliminary project and post implementation stages are expensed as the activities are performed. ASU 2018-15 is effective annual reporting periods beginning after December 15, 2020 and the interim periods within annual periods beginning after December 15, 2021 and can be applied either prospectively to implementation costs incurred after the date of adoption or retrospectively to all arrangements. The Company plans to adopt the ASU using prospective transition as of January 1, 2021. The ASU is currently not expected to have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (ASC 842) ("ASU 2016-02"), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. The new guidance requires lessees to recognize lease assets and liabilities on the balance sheet for both operating and financing leases, with the exception of leases with an original term of 12 months or less. Under existing guidance, recognition of lease assets and liabilities is not required for operating leases. The lease assets and liabilities to be recognized are both measured initially based on the present value of the lease payments. ASU 2016-02 initially required adoption using a modified retrospective approach, under which all years presented in the financial statements would be prepared under the revised guidance. In July 2018, the FASB issued ASU No. 2018-11 which added an optional transition method under which financial statements may be prepared under the revised guidance for the year of adoption, but not for prior years. Under the latter method, entities will recognize a cumulative catch-up adjustment to the opening balance of retained earnings in the period of adoption. In June 2020, the FASB issued ASU No. 2020-05 that deferred the effective date for non-public entities and emerging growth companies that choose to take advantage of the extended transition periods to annual reporting periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company is currently in the process of evaluating the potential impact of this new accounting guidance, which is effective for the Company for annual periods beginning after December 15, 2021.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, to require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The ASU also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. In February 2020, the FASB

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issued ASU 2020-02, *Financial Instruments—Credit Losses (Topic 326) and Leases (Topic 842)—Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) (SEC Update),* which amends the language in Subtopic 326-20 and addresses questions primarily regarding documentation and company policies. The guidance in ASU 2016-13 and ASU 2020-02 related to credit losses is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), which simplifies the accounting for income taxes. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020 for public companies and for fiscal years beginning after December 15, 2021 for all other entities and early adoption is permitted. The Company has not yet evaluated the impact the adoption of ASU 2019-12 will have on the Company's financial statements.

In March 2020 and January 2021, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, respectively. ASU 2020-04 and ASU 2021-01 provide optional expedients and exceptions for applying U.S. GAAP, to contracts, and other transactions that reference the London Interbank Offered Rate or another reference rate expected to be discontinued because of reference rate reform, if certain criteria are met. The guidance in ASU 2020-04 and ASU 2021-01 was effective upon issuance and, once adopted, may be applied prospectively to contract modifications and hedging relationships through December 31, 2022. The Company is currently evaluating the impact of the adoption of ASU 2020-04 and ASU 2021-01 on its consolidated financial statements.

3. Disaggregation of revenue

The following table shows the Company's revenue disaggregated by transaction model:

	Year Ended December 31,		
(in thousands)	**2020**	**2019**	**2018**
Open platform transactions	$ 573,242	$ 399,945	$ 291,331
Private platform transactions	$ 11,572	8,060	5,579
Revenue	$ 584,814	$ 408,005	$ 296,910

The following table shows the Company's revenue disaggregated by product vertical:

	Year Ended December 31,		
(in thousands)	**2020**	**2019**	**2018**
Property & casualty insurance	$ 397,710	$ 219,467	$ 162,088
Health insurance	139,796	104,261	71,437
Life insurance	30,313	33,012	28,542
Other	16,995	51,265	34,843
Revenue	$ 584,814	$ 408,005	$ 296,910

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4. Property and equipment

Property and equipment consisted of

(in thousands)	Year ended December 31, 2020	2019
Leasehold improvements	$ 918	$ 783
Furniture and fixtures	318	302
Computers	360	215
Property and equipment, gross	1,596	1,300
Less: Accumulated depreciation	(834)	(545)
Property and equipment, net	$ 762	$ 755

Depreciation expense related to property and equipment amounted to $0.3 million, $0.3 million, and $0.2 million for the years ended December 31, 2020, 2019, and 2018, respectively.

5. Goodwill and intangible assets

Goodwill and intangible assets consisted of:

		December 31, 2020			December 31, 2019		
(in thousands)	Useful life (months)	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Technology and intellectual property	60	$ —	$ —	$ —	$ 32,027	$ (32,027)	$ —
Customer relationships	120	25,040	(10,016)	15,024	25,040	(7,094)	17,946
Costs to acquire third party publishers	24	—	—	—	1,363	(1,363)	—
Non-compete agreements	60	303	(211)	92	303	(155)	148
Domain names	60	1,224	(789)	435	1,224	(566)	658
Intangible assets		$ 26,567	$ (11,016)	$ 15,551	$ 59,957	$ (41,205)	$ 18,752
Goodwill	Indefinite	$ 18,402	—	$ 18,402	$ 18,402	—	$ 18,402

Amortization expense related to intangible assets amounted to $3.2 million, $5.4 million, and $11.8 million for the years ended December 31, 2020, 2019, and 2018, respectively. We did not have any impairments of goodwill for the years ended December 31 2020 and 2019, respectively.

The following table presents the change in goodwill and intangible assets:

	December 31, 2020		December 31, 2019	
(in thousands)	Goodwill	Intangible assets	Goodwill	Intangible assets
Beginning balance at January 1,	$ 18,402	$ 18,752	$ 18,402	$ 23,985
Addition to goodwill and intangible assets	—	—	—	148
Amortization	—	(3,201)	—	(5,381)
Ending balance	$ 18,402	$ 15,551	$ 18,402	$ 18,752

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As of December 31, 2020, future amortization expense on identifiable intangible assets with estimable useful lives over the next five years is as follows:

(in thousands)	Amortization expense
2021	$ 2,983
2022	2,730
2023	2,388
2024	2,211
2025	2,028
Thereafter	3,211
	$ 15,551

6. Accrued expenses

Accrued expenses consisted of:

	As of	
(in thousands)	December 31, 2020	December 31, 2019
Accrued liabilities		
Accrued payroll and related expenses	$ 6,686	$ 4,954
Accrued operating expenses	1,545	754
Other accrued expenses	975	876
Total accrued liabilities	$ 9,206	$ 6,584

7. Long-term debt

Credit facility.

2019 Revolver and Term Loan

On February 26, 2019, QLH, through its subsidiaries acting as borrower and guarantor, entered into a secured credit facility (“2019 Credit Facilities”) with Monroe Capital. The credit facility was comprised of (a) a term loan in an initial principal amount of $100.0 million (“2019 Term Loan Facility”) and (b) a revolving line of credit of up to $5.0 million (“2019 Revolving Credit Facility”). Proceeds from the $100.0 million 2019 Term Loan Facility were used to (i) repay the 2017 Term Loan Facility in full, (ii) pay a cash dividend to QLH Class A Unit Holders and certain QLH Class B Unit Holders, (iii) pay transaction expenses, and (iv) fund the redemption of certain QLH Class A and Class B Unit Holders for cash.

On June 12, 2019, we executed an amendment to the 2019 Credit Facilities to include City National Bank as a lender. Monroe Capital assigned $25.0 million of the 2019 Term Loan Facility and the entire $5.0 million of the 2019 Revolving Credit Facility to City National Bank. In connection with the assignment of the debt, the applicable margin on borrowings was reduced from LIBOR plus 5.50% to LIBOR plus 4.85% and the Company incurred $0.2 million of debt issuance costs. This amendment was accounted for as a modification to the 2019 Credit Facilities.

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As of December 31, 2019, the Company had no outstanding amount drawn on the 2019 Revolving Credit Facility and $97.5 million outstanding, net of deferred debt issuance costs of $1.7 million, on the 2019 Term Loan Facility, of which $0.9 million was classified within current portion of long-term debt and $96.7 million was classified within long-term debt, net of current portion on our consolidated balance sheets.

2020 Revolver and Term Loan

On September 23, 2020, the Company entered into a new senior secured credit facility ("2020 Credit Facilities") with a syndicate of banks and financial institutions, comprising of (a) $210.0 million term loan ("2020 Term Loan Facility"), which was fully drawn at close and (b) a revolving line of credit of $5.0 million ("2020 Revolving Credit Facility"). Proceeds from the $210.0 million term loan were used to (i) repay the 2019 Term Loan Facilities in full, (ii) pay $105.8 million in cash distributions to QLH Class A Unit Holders and certain QLH Class B Unit Holders, and (iii) pay related transaction expenses.

The 2020 Credit Facilities bear interest at a variable rate based upon, at the Company's option, a per annum rate of either the Alternate Base Rate ("ABR") or Adjusted LIBO Rate, plus an Applicable Rate ("ABR Borrowings" and "Eurodollar Borrowings"). The ABR is defined as a fluctuating interest rate equal to the greatest of (a) the U.S. Prime Rate published by the Wall Street Journal, (b) the NYFRB Rate plus 0.50% and (c) the Adjusted LIBO Rate for a one-month interest period plus 1.00%. If the ABR is determined to be less than 1.50%, such rate shall be deemed to be 1.50%. If the Adjusted LIBO Rate is determined to be less than 0.50%, such rate shall be deemed to 0.50%. The Applicable Rate is between 2.25% and 2.75% for ABR Borrowings and between 3.25% and 3.75% for Eurodollar borrowings based on the Company maintaining certain leverage ratios.

The 2020 Credit Facilities are collateralized by substantially all of the Company's assets and contain certain financial and non-financial covenants. The financial covenants include a minimum Fixed Charge Coverage Ratio and a maximum Total Net Leverage Ratio (in each case, as defined in the 2020 Credit Facilities). Non-financial covenants include restrictions on investments, dividends, asset sales, and the incurrence of additional debt and liens. As of December 31, 2020, we were in compliance with all covenants.

The 2020 Credit Facilities have a maturity date of September 22, 2023, subject to an extension of the termination date, at which time all outstanding borrowings and accrued interest are due. Under the 2020 Term Loan Facility, principal repayments of $2.6 million are made quarterly, due on the first business day following the last day of each March, June, September and December, beginning with December 31, 2020. Additionally, the 2020 Term Loan Facility requires a mandatory debt repayment based on an excess cash flow calculation performed annually. The percentage of excess cash flow to be repaid declines based on the Consolidated Total Net Leverage Ratio.

On December 1, 2020, the Company prepaid $23.6 million of the 2020 Term Loan Facility pursuant to the contractual repayment option not subject to a penalty (the "Prepayment").

As of December 31, 2020, the Company had no outstanding amount drawn on the 2020 Revolving Credit Facility and $182.7 million outstanding on the 2020 Term Loan Facility, net of deferred debt issuance costs of $3.7 million classified within long-term debt, net of current portion on our consolidated balance sheet. Additionally, during the year ended December 31, 2020, the Company recognized a loss on extinguishment of the 2019 Credit Facilities of $2.0 million, which has been recorded within other expenses on our consolidated statement of operations.

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The expected future principal payments for all borrowings as of December 31, 2020 is as follows (in thousands):

(in thousands)	Contractual maturity
2021	$ —
2022	—
2023	186,375
Debt and issuance costs	186,375
Unamortized debt issuance costs	(3,707)
Total long-term debt	$ 182,668

The Company incurred interest expense of $7.9 million, $7.0 million, and $1.2 million for the years ended December 31, 2020, 2019, and 2018, respectively. Included in interest expense is $1.2 million, $0.7 million, and $0.0 million of amortization of debt issuance costs for the years ended December 31, 2020, 2019, and 2018, respectively. As of December 31, 2020, and 2019, unamortized deferred debt issuance costs amounted to $3.7 million and $1.7 million. Accrued interest was $0.7 million as of December 31, 2020 and less than $0.1 million as of December 31, 2019, respectively.

The carrying amount of the current and long-term debt under the 2019 and 2020 Credit Facilities approximated their fair values because these borrowings have a variable interest rate structure with no prepayment penalties and are classified within the Level 2 hierarchy.

8. Commitments and contingencies

Operating leases

The Company is obligated under certain non-cancellable operating leases for its facilities, which expire on various dates through 2027. Certain facility leases contain predetermined fixed escalation of minimum rents. The Company recognizes rent expense on a straight-line basis for these leases and records the difference between recognized rental expense and the amounts payable under the lease agreement as deferred rent. The deferred rent liability was $0.4 million as of December 31, 2020 and 2019. Total rental expense amounted to $0.7 million, $0.5 million, and $0.4 million for the years ended December 31, 2020, 2019, and 2018, respectively, and is recorded in operating expenses in the consolidated statements of operations.

Future minimum lease payments under the non-cancellable leases are as follows:

(in thousands)	Rent Payments
Year Ended December 31,	
2021	$ 747
2022	771
2023	780
2024	813
2025	838
Thereafter	652
Total	$ 4,601

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Litigation

The Company is subject to certain legal proceedings and claims that arise in the normal course of business. In the opinion of management, the Company does not believe that the amount of liability, if any, as a result of these proceedings and claims will have a materially adverse effect on the Company's consolidated financial position, results of operations, and cash flows. As of December 31, 2020, and 2019, the Company does not have any contingency reserves established for any litigation liabilities.

9. Redeemable Class A units, Members' Equity, and Stockholders' Equity

Amendment and Restatement of Certificate of Incorporation

In connection with the Reorganization Transactions we amended and restated our certificate of incorporation to, among other things, provide for the (i) authorization of 1,000,000,000 shares of Class A common stock with a par value of $0.01 per share; (ii) authorization of 100,000,000 shares of Class B common stock with a par value of $0.01 per share; and (iii) authorization of 50,000,000 shares of preferred stock par value $0.01 per share. Holders of Class A and Class B common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Holders of our Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law.

Holders of our Class B common stock are not entitled to receive dividends and will not be entitled to receive any distributions upon the liquidation, dissolution or winding up of the Company. Shares of our Class B common stock are issuable only in connection with the corresponding issuance of an equal number of Class B-1 units. Shares of Class B common stock may only be issued to the extent necessary to maintain the one-to-one ratio between the Class B-1 unit held by the non-controlling interest holders and the number of shares of Class B common stock held by the noncontrolling interest holders. Shares of Class B common stock are transferable only together with an equal number of LLC Interests. Each share of our Class B common stock will be redeemed and cancelled by us if the holder exchanges one Class B-1 unit, together with the corresponding share of Class B common stock, for one share of Class A common stock (or, at our election, cash of an equivalent value).

We must, at all times, maintain a one-to-one ratio between the number of outstanding shares of Class A common stock and the number of Class A-1 unit owned by us (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities).

Initial public offering

As discussed in Note 1, on October 30, 2020 we completed our IPO and sold 7,027,606 shares of Class A Common Stock at a public offering price of $19.00 per share, which includes 769,104 shares sold in connection with the full exercise of the underwriter's option to purchase additional shares. We received $124.2 million, net of underwriting discounts and commissions, which we used in part to repurchase 4,772,449 Class B-1 units from the Selling Class B-1 Unit Holders. Immediately following the completion of the IPO, there were 25,536,043 shares of Class B common stock outstanding, equivalent to all but 41,620 Class B-1 units not held by us, representing an approximately 43.5% ownership interest in QLH.

MediaAlpha, Inc. contributed (i) $84.3 million of the net proceeds to Intermediate Holdco for Intermediate Holdco to repurchase 4,772,449 Class B-1 units (which Class B-1 units were converted into Class A-1 units) and

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

(ii) $23.6 million of the net proceeds to Intermediate Holdco for further contribution to QLH, and in turn to QuoteLab LLC, to repay outstanding borrowings under the 2020 Term Loan Facility. The remaining net proceeds of $16.3 million were contributed to Intermediate Holdco for further contribution to QLH and QL to pay for costs associated with the offering and to use for working capital, capital expenditures and general corporate purposes.

QL Holdings Recapitalization

As discussed in Note -1 above, the Fourth Amended and Restated Limited Liability Agreement of QLH, among other things, recapitalized the Class A units held by Intermediate Holdco, to voting, managing member Class A-1 units and recapitalized all other legacy Class A units and Class B units into non-voting, non-managing member, Class B-1 units. After the contribution of Intermediate Holdco to MediaAlpha, Inc., the Company became the sole voting member of QLH, by and through Intermediate Holdco, and control the management of QLH.

Redeemable Class A Units

As described in Note 1, in connection with the Reorganization Transactions, the QLH's limited liability company agreement was amended and restated to, among other things, effectuate the conversion of 284,221 redeemable convertible preferred units into Class B-1 Units. Prior to the Reorganization Transactions QLH's Class A units that were held by Insignia feature a redemption right that was considered to be outside of the Company's control.

The Company considered these Class A units, subject to possible redemption, in accordance with the guidance in FASB ASC 480. Conditionally redeemable Class A units (including Class A units that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within QLH's control) are classified as temporary equity. As of December 31, 2019, 284,211 units of the 1,136,842 outstanding Class A units were classified outside of permanent equity.

Distribution to Legacy Profit Interest Holders

Upon completion of the September 23, 2020 recapitalization event, QuoteLab, LLC executed a leveraged distribution, borrowing approximately $210 million from its lender and, after satisfying existing indebtedness and transaction related expenses, issued net proceeds to QLH as a dividend. A portion of these debt proceeds were distributed to Senior Executives, certain Legacy Profit Interest Holders, White Mountains, and Insignia as a dividend. The leveraged distribution was distributed to all Legacy Profits Interests Holders whether vested or unvested, as long as the Participation Threshold was met.

MediaAlpha, Inc.
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10. Equity-based compensation plans

A summary of equity-based compensation cost recognized during the year ended December 31, 2020, 2019, and 2018 is as follows:

	2020	2019	2018
QLH Class B units	$ 5,556	$3,594	$824
QLH restricted Class B-1 units	90	—	—
Restricted Class A shares	211	—	—
Restricted stock units	19,679	—	—
Equity-based compensation expense	$25,536	$3,594	$824
Total income tax benefit recognized related to equity-based compensation	$ 3,088	$ —	$ —

Equity-based compensation cost is allocated to the following expense categories in its condensed consolidated statement of operations during the year ended December 31, 2020, 2019 and 2018 as follows:

	2020	2019	2018
Cost of revenue	$ 2,809	$ 181	$ 54
Sales and marketing	6,544	1,384	425
Product development	4,723	532	167
General and administrative	11,460	1,497	178
Total equity-based compensation	$25,536	$3,594	$824

No compensation cost was capitalized during fiscal 2020, 2019, or 2018.

QLH Class B Profits Interests

Prior to the IPO, the Company maintained a QLH Class B Restricted Unit Plan (the “QLH Plan”), whereby QLH had the authority to issue up to 177,300 Class B units in the form of profits interests to directors, employees, managers, independent contractors, and advisors of QLH and its subsidiaries upon approval of the Board of Directors. The QLH Class B units granted to employees were generally subject to a four-year vesting period, whereby the awards become 25% vested on the first anniversary of the vesting commencement date and then vest ratably on a monthly basis thereafter through the end of the vesting period. The Class B units are equity-classified share-based payments and were recognized utilizing the straight-line method.

In connection with the IPO, the Board of Directors approved the acceleration of vesting on a portion of certain employees’ awards as of the IPO date. As a result of this modification, there was no incremental compensation cost; however, the Company recognized $2.7 million of compensation cost on the IPO date related to the portion of the awards that were accelerated.

As required per the original award terms, all awards on the IPO date, related to 43 employees or their beneficiaries, were exchanged to have substantially equivalent rights and to maintain the grantees’ ownership interests in the remaining assets of the Company. The senior executives received Class B-1 units, which, when vested, together with shares of Company Class B are exchangeable for shares of Company Class A common stock. All other grantees received shares of Company Class A common stock. The awards continue to be subject to the QLH Plan, and those that are unvested are subject to the same vesting terms and conditions. The awards remain equity-classified; however, the awards are no longer in the form of profits interests.

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

A portion of vested awards on the IPO date were settled for cash. Ultimately, as of the IPO date, all of the legacy QLH Class B profits interests were either (1) settled for cash or (2) cancelled in exchange for QLH Class B-1 units and Company Class A shares.

The fair value of the QLH Class B profits interests was determined on the grant date using the option pricing model based on the following assumptions:

	Twelve months ended December 31,		
	2020	2019	2018
Expected term (in years)	0.5 - 2 years	2 - 3 years	3 - 5 years
Expected volatility	70% - 88%	70% - 75%	50 - 55%
Expected dividend yield	—	—	—
Risk-free interest rate	0.11% - 1.41%	1.58% - 2.19%	2.57% - 2.74%
Discount for lack of marketability	25% - 30%	30%	30%

A summary of Class B Unit activity for fiscal years 2020, 2019, and 2018 is as follows:

	Number of Units	Weighted-average grant-date fair value	Aggregate Intrinsic Value (in thousands)
QLH Class B units			
Outstanding as of December 31, 2017	81,590	$ 41.36	$ 6,274
Granted	19,000	62.08	
Repurchased	—	—	
Forfeited	(2,500)	46.09	
Settled or cancelled	—	—	
Outstanding as of December 31, 2018	98,090	$ 45.25	$ 22,244
Granted	100,738	$ 71.69	
Repurchased	(31,799)	44.61	
Forfeited	(3,229)	46.09	
Settled or cancelled	—	—	
Outstanding as of December 31, 2019	163,800	$ 61.62	$ 28,622
Granted	25,500	$ 105.85	
Repurchased	(8,568)	51.03	
Forfeited	(3,432)	74.22	
Settled or cancelled (1)	(177,300)	68.25	
Outstanding as of December 31, 2020	—	$ —	$ —

(1) Upon the IPO and the concurrent 44 x stock split, these units were exchanged for 6,470,599 QLH Class B-1 units and Company Class A shares, of which 902,847 vested shares were cash-settled at fair market value. Because all of the QLH Class B profits interests were either (1) settled or (2) cancelled and replaced upon the IPO, there are 0 QLH Class B units outstanding as of December 31, 2020.

For the year ended December 31, 2020, 2019, and 2018, cash used to settle redemptions of Class B units was $19.4 million, $5.8 million, and $0.0 million, respectively. Redemptions include redemptions arising in connection with the Insignia Recapitalization, optional unit repurchases by the Company following an employee's termination of employment, and settlement of a portion of the grantee's awards upon the IPO.

MediaAlpha, Inc.
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During the year ended December 31, 2020, 2019, and 2018, the Company recognized $0.8 million, $1.3 million, and $0 million, respectively, of equity-based compensation cost for the amount by which the Class B units were redeemed in excess of fair value at the date of redemption. These amounts are included within operating cash flow. During the year ended December 31, 2020, 2019, and 2018, the redemption amount which was not in excess of fair value on the date of redemption was $18.6 million, $4.5 million, and $0 million, respectively. Cash used to settle a portion of the awards upon the IPO was $15.9 million (net of underwriter discounts), which was included within financing cash flow, as the cash payment did not exceed the fair value of the award at the date of repurchase.

QLH Restricted Class B-1 Units

Upon the IPO, senior executives that held legacy QLH Class B profits interests received QLH Class B-1 units, which have a substantially equivalent value and which together with Company Class B shares can be exchanged for Company Class A shares when vested. The cancellation and concurrent replacement of Class B profits interests for Class B-1 units was considered a modification. The modification did not result in incremental compensation cost, as the fair value of the replacement awards, determined by using the per share price of Company Class A shares (into which QLH restricted Class B-1 units are convertible) offered to the public in connection with the IPO, did not differ from the fair value of the QLH Class B profits interests immediately before the modification. The awards that were unvested on the modification date are QLH restricted Class B-1 units and are subject to the same vesting terms as the legacy QLH Class B profits interests under the QLH Plan. Under the QLH Plan, 6,470,599 QLH Class B-1 units and Company Class A shares are authorized.

The QLH restricted Class B-1 units granted to employees are generally subject to a four-year vesting period, whereby the awards become 25% vested on the first anniversary of the vesting commencement date and then vest ratably on a monthly basis thereafter through the end of the vesting period. The QLH restricted Class B-1 units are equity-classified share-based payments, and the remaining unrecognized cost, which is based on the original grant-date fair value of the Class B profits interests, is recognized utilizing the straight-line method.

Grantees have made 83(b) election under the Internal Revenue Code; therefore, the QLH Class B-1 Units are subject to gross share settlement.

A summary of unvested QLH Class B-1 unit activity for 2020, 2019, and 2018 is as follows:

	Number of Units	Weighted-average grant-date fair value
QLH Class B-1 units		
Unvested and outstanding as of December 31, 2019	—	—
Granted	583,398	$ 2.79
Vested	(53,047)	1.77
Forfeited	(5,667)	1.93
Settled or cancelled	—	—
Unvested and outstanding as of December 31, 2020	524,684	$ 2.90

As of December 31, 2020, total unrecognized compensation cost related to unvested QLH Class B-1 units was $1.4 million which is expected to be recognized over a weighted average period of 3.0 years. The total fair value

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

of QLH Class B-1 units that vested during the year ended December 31, 2020, 2019, and 2018 was $2.0 million, $0, and $0, respectively.

Company Restricted Class A Shares

Upon the IPO, non-senior executives that held legacy QLH Class B profits interests received Company Class A shares. The cancellation and concurrent replacement of the QLH Class B profits interests for Company Class A shares was considered as a modification. The modification did not result in incremental compensation cost, as the fair value of the replacement awards, determined by using the per share price of Company Class A shares offered to the public in connection with the IPO, did not differ from the fair value of the QLH Class B profits interests immediately before the modification. The awards that were unvested on the modification date are Company restricted Class A shares and are subject to the same vesting terms as the legacy QLH Class B profits interests under the QLH Plan. Under the QLH Plan, 6,470,599 QLH Class B-1 units and Company Class A shares are authorized.

The Company restricted Class A shares granted to employees are generally subject to a four-year vesting period, whereby the awards become 25% vested on the first anniversary of the vesting commencement date and then vest ratably on a monthly basis thereafter through the end of the vesting period. The Company restricted Class A shares are equity-classified share-based payments, and the remaining unrecognized cost, which is based on the original grant-date fair value of the QLH Class B profits interests, is recognized utilizing the straight-line method. Grantees have made 83(b) election under the Internal Revenue Code; therefore, the Company Restricted Class A shares are subject to gross share settlement.

A summary of unvested Company Class A share activity for 2020, 2019, and 2018 is as follows:

	Number of Units		Weighted-average grant-date fair value
Restricted Class A Shares			
Unvested and outstanding as of December 31, 2019	—		—
Granted	1,210,253	$	3.21
Vested	(120,516)		1.72
Forfeited	(28,132)		1.93
Settled or cancelled	—		—
Unvested and outstanding as of December 31, 2020	1,061,605	$	3.41

As of December 31, 2020, total unrecognized compensation cost related to unvested Company Class A shares was $3.3 million, which is expected to be recognized over a weighted average period of 3.06 years. The total fair value of Company restricted Class A shares that vested during fiscal 2020, 2019, and 2018 was $4.5 million $0, and $0, respectively.

Restricted Stock Units

In October 2020, the Company adopted the 2020 Omnibus Incentive Plan (the “Omnibus Plan”) under which the Company may grant up to 12,506,550 restricted stock units and other equity-based awards to employees, directors, officers, and consultants of the Company. The restricted stock units represent the right to receive one share of Company Class A common stock. The restricted stock units granted generally vest quarterly over

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

periods ranging from three to four years. However, a portion of some restricted stock unit grants were already fully vested based on employee tenure as of the grant date, which resulted in a requisite service period which is shorter than three to four years. The restricted stock units are equity-classified share-based payments and the related cost is recognized utilizing the straight-line method. Upon vesting of the restricted stock units, the Company generally issues new shares to the participants, net of withholding taxes, except for certain executives and non-employee directors who receive gross share settlement.

The fair value of the restricted stock units is determined based on the closing market price of the Company's Class A shares on the date of grant, with the exception of those restricted stock units granted on the IPO effective date, for which the Company used the per share price of Company Class A shares offered to the public in connection with the IPO.

A summary of unvested restricted stock unit activity for fiscal years 2020, 2019, and 2018 is as follows:

	Number of Units	Weighted-average grant-date fair value
RSUs		
Unvested and outstanding as of December 31, 2019	—	—
Granted	5,822,790	$ 22.22
Vested	(339,914)	38.39
Forfeited	—	—
Settled or cancelled	—	—
Unvested and outstanding as of December 31, 2020	5,482,876	$ 21.22

As of December 31, 2020, total unrecognized compensation cost related to unvested restricted stock units was $109.7 million, which is expected to be recognized over a weighted average period of 2.85 years.

The total fair value of Company restricted stock units that vested during the year ended December 31, 2020, 2019, and 2018 was $13.0 million, $0, and $0, respectively.

11. Income Taxes

MediaAlpha, Inc. is taxed as a corporation and pays corporate federal, state and local taxes on income allocated to it from QL Holdings, LLC based upon MediaAlpha, Inc.'s economic interest held in QLH. QLH is treated as a pass-through partnership for income tax reporting purposes and not subject to federal income tax. Accordingly, the Company is not liable for income taxes on the portion of QL Holdings, LLC's earnings not allocated to it. The results for the years ended December 31, 2019 and 2018 do not reflect income tax expense because, prior to the Reorganization Transactions, the consolidated QL Holdings, LLC pass-through entity was not subject to corporate tax.

MediaAlpha, Inc.
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For financial reporting purposes, income before income taxes includes the following components:

(in thousands)	Year Ended December 31, 2020	2019	2018
United States	$ 9,048	$ —	$ —
Foreign	247		
Total	$ 9,295	$ —	$ —

Components of income tax expense consisted of the following for the years indicated:

(in thousands)	Year Ended December 31, 2020	2019	2018
Current income tax expense (benefit)			
Federal	$ (417)	$ —	$ —
State	(438)	—	—
Foreign	51	—	—
	$ (804)	$ —	$ —
Deferred income tax expense (benefit)			
Federal	$ (354)	$ —	$ —
State	(108)	—	—
Foreign	(1)	—	—
	$ (463)	$ —	$ —
Income tax (benefit)	$ (1,267)	$ —	$ —

A reconciliation of the United States statutory income tax rate to the Company's effective income tax rate is as follows for the years indicated:

	Year Ended December 31, 2020	2019	2018
Statutory federal tax rate	21.0%	21.0%	21.0%
Income attributable to noncontrolling interests and nontaxable income	-33.3%	-21.0%	-21.0%
State income taxes, net of federal benefit	-1.1%		
Transaction costs	3.4%		
Change in uncertain tax positions	-3.3%		
Other	-0.1%	0.0%	
Effective income tax rate	-13.4%	0.0%	0.0%

The Company's effective tax rate was (13.4)% in 2020, in comparison to the U.S. statutory tax rate in 2020 of 21.0%. The comparison of our effective tax rate to the U.S. statutory tax rate was primarily influenced by the fact that the Company is not liable for income taxes on the portion of QLH's earnings that are attributable to the non-controlling interests and was not a taxable entity prior to the Reorganization Transactions.

Our accounting for the indefinite reinvestment assertion is complete. In general, it is our intention to permanently reinvest all earnings in excess of previously taxed amounts. While we believe that the financial

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

reporting bases may be greater than the tax bases of investments in foreign subsidiaries for any earnings in excess of previously taxed amounts, such amounts are considered permanently reinvested.

Our accounting policy choice for GILTI is complete. Under U.S. GAAP, we are allowed to make an accounting policy choice of either (1) treating taxes due on future U.S. inclusions in taxable income related to GILTI as a current-period expense when incurred (the period cost method) or (2) factoring such amounts into the measurement of our deferred taxes (the deferred method). We selected the period cost method.

Details of the Company's deferred tax assets and liabilities are as follows:

	Year Ended December 31,	
(in thousands)	**2020**	**2019**
Deferred tax assets:		
Investment in partnership	$ 25,443	$ —
Net operating loss carryforwards and tax credits	1,906	—
Tax receivable agreement	5,324	—
Other	846	—
Total	$ 33,519	$ —
Valuation allowance	(1,906)	—
Total deferred tax assets	$ 31,613	$ —
Deferred tax liabilities:		
Total deferred tax liabilities	$ —	$ —
Deferred tax assets	$ 31,613	$ —

As of December 31, 2020, the Company had state net operating loss carryforwards ("NOLs") of $13.7 million, of which all have definite lives. State NOLs of $0.3 million will begin to expire in 2028. As of December 31, 2020, the Company had foreign tax credit carryforwards of $1.0 million, which will begin to expire in 2028.

Valuation allowances will be recognized on deferred tax assets if it is more-likely-than-not that some or all of the deferred tax assets will not be utilized. In measuring deferred tax assets, the Company considers all available evidence, both positive and negative, to determine whether a valuation allowance is needed. As of December 31, 2020, the Company recorded a $1.9 million valuation allowance against deferred tax assets related to state NOLs and foreign tax credits as it believes it is more likely-than-not that such attributes will expire prior to utilization.

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows for the years indicated. The Company did not have uncertain tax benefits during the years ended December 31, 2019 and 2018 because, prior to the Reorganization Transactions, the Company was not subject to corporate income taxes.

	Year Ended December 31,		
(in thousands)	**2020**	**2019**	**2018**
Beginning balance	$ —	$ —	$ —
Increase related to Reorganization Transactions	1,925	—	—
Increase related to current year tax positions	731	—	—
Decrease related to lapse in applicable statute of limitations	(385)	—	—
Ending balance	$ 2,271	$ —	$ —

As of December 31, 2020, the total liability related to uncertain tax positions was $2.3 million. Out of this amount of $1.8 million has been indemnified by White Mountains, for which an indemnification asset was recognized. The decrease in the liability for uncertain tax positions was due to a lapse of statue limitations. If recognized, $2.3 million of the amount of unrecognized tax benefits would impact our effective tax rate. Additionally, the Company will be indemnified for any tax imposed on which a reserve was recorded and as the Company recognizes uncertain tax positions the benefits would impact pre-tax results. The Company recognizes interest and penalties, if applicable, related to uncertain tax positions as a component of income tax expense. Accrued interest and penalties were approximately $0.7 million as of December 31, 2020 and 2019, and therefore did not impact the effective income tax rate.

The Company files income tax returns as required by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company may be subject to examination by federal and certain state and local tax authorities. As of December 31, 2020, the Company's federal income tax returns for the years 2017 through 2019 and state and local tax returns for the years 2015 through 2018, and foreign income tax returns for the years 2018 and 2019 remain open and are subject to examination. Currently, no tax authorities are auditing any of the Company's income tax matters.

Tax Receivable Agreement

In connection with the Reorganization Transactions and the IPO, the Company entered into the TRA, with Insignia, Senior Executives, and White Mountain. The Company expects to obtain an increase in its share of the tax basis in the net assets of QLH as Class B-1 units are redeemed from or exchanged (or, at our election, cash of an equivalent value). The Company intends to treat any redemptions and exchanges of Class B-1 units as direct purchases Class B-1 units for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that it would otherwise pay in the future to various tax authorities.

The TRA provides for the payment by MediaAlpha, Inc. to Insignia and the Senior Executives of 85% of the amount of any tax benefits the Company actually realizes, or in some cases is deemed to realize, as a result of (i) increases in the Company's share of the tax basis in the net assets of QLH resulting from any redemptions or exchanges of Class B-1 units, (ii) tax basis increases attributable to payments made under the TRA, and (iii) deductions attributable to imputed interest pursuant to the TRA. The TRA will also require us to pay White Mountains 85% of the amount of the cash savings, if any, in U.S. federal, state and local income tax that we realize (or are deemed to realize) as a result of the utilization of the net operating losses of Intermediate Holdco

MediaAlpha, Inc.
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attributable to periods prior to the IPO and the deduction of any imputed interest attributable to our payment obligations under the TRA. The Company expects to benefit from the remaining 15% of any of cash savings that it realizes.

No payments were made to pursuant to the TRA during the year ended December 31, 2020. The amounts payable under the TRA will vary depending upon a number of factors, including the amount, character, and timing of the taxable income of MediaAlpha, Inc. in the future.

12. Net Loss Per Share

The following table presents the calculation of basic and diluted net loss per share for the period following the IPO (in thousands except per share amounts):

		For the period October 27, 2020 through December 31, 2020
Numerator:		
Net (loss)	$	(8,604)
Less: net (loss) attributable to non-controlling interest		(4,238)
Net (loss) attributable to MediaAlpha, Inc.	$	(4,366)
Denominator:		
Weighted-average shares of Class A common stock outstanding—basic and diluted		32,134,170
Net (loss) per share of Class A common stock—basic and diluted	$	(0.14)

During the period October 27, 2020 through December 31, 2020, the Company incurred net losses and, therefore, the effect of the Company's potentially dilutive securities were not included in the calculation of diluted loss per share as the effect would be anti-dilutive. The following table contains share/unit totals with a potentially dilutive impact:

	As of December 31, 2020
QLH Class B / B-1 Units (Replacement awards)	25,571,996
Restricted Class A Shares	1,061,605
Restricted stock units	5,482,876
Potential dilutive shares	**32,116,477**

13. Non-Controlling Interest

As of December 31, 2020, the non-controlling interests of QLH owned 42.9% of the outstanding LLC Units, with the remaining 57.1% owned by MediaAlpha, Inc. As of December 31, 2019, the Reorganization Transactions had not yet occurred and the Company held no interest in QLH.

MediaAlpha, Inc.
Notes to the Consolidated Financial Statements

14. Selected Quarterly Financial Data (Unaudited)

The following table contains selected unaudited consolidated statement of operations information for each quarter of the years ended December 31, 2020 and 2019. We have prepared the unaudited quarterly consolidated statements of operations data on a consistent basis with the consolidated financial statements included in this Annual Report on Form 10-K. The results of historical periods are not necessarily indicative of results for a full year or for any future period.

(in thousands except per share amounts)

	Three Months Ended			
	Dec. 31, 2020	**Sept. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**
Revenue	190,205	151,548	123,616	119,445
Income (loss) from Operations	(11,127)	8,431	11,681	10,550
Net (loss) income	$ (13,238)	$ 4,819	$ 10,146	$ 8,835
Net income (loss) attributable to QLH prior to Reorganization Transaction	$ (4,634)	$ 4,819	$ 10,146	$ 8,835
Net (loss) attributable to non-controlling interest	(4,238)	—	—	—
Net (loss) income attributable to MediaAlpha, Inc.	$ (4,366)	$ —	$ —	$ —
Net (loss) per share of Class A common stock—basic and diluted	$ (0.14)	$ —	$ —	$ —

	Three Months Ended			
	Dec. 31, 2019	**Sept. 30, 2019**	**Jun. 30, 2019**	**Mar. 31, 2019**
Revenue	126,148	110,397	89,111	82,349
Income (loss) from Operations	12,139	9,683	7,335	(4,316)
Net income (loss)	$ 10,377	$ 7,763	$ 4,959	$ (5,279)
Net income (loss) attributable to QLH prior to Reorganization Transaction	$ 10,377	$ 7,763	$ 4,959	$ (5,279)
Net income (loss) attributable to Non-controlling interest	—	—	—	—
Net income (loss) attributable to MediaAlpha, Inc.	$ —	$ —	$ —	$ —
Net (loss) per share of Class A common stock—basic and diluted	$ —	$ —	$ —	$ —

Schedule I – Valuation and Qualifying Accounts and Allowances

	Balance at Beginning of the period	Additions during the period	Write-offs	Balance at End of period
Deferred tax valuation allowance				
Fiscal year 2020	$ —	1,906	—	$ 1,906
Fiscal year 2019	$ —	—	—	$ —
Fiscal year 2018	$ —	—	—	$ —
Allowance for doubtful accounts				
Fiscal year 2020	$ 302	526	(388)	$ 441
Fiscal year 2019	$ 480	354	(532)	$ 302
Fiscal year 2018	$ 40	532	(92)	$ 480

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MediaAlpha, Inc.

Secondary offering of 7,000,000 shares of Class A common stock

PROSPECTUS

Joint Bookrunners

J.P. Morgan **Citigroup** **Credit Suisse** **RBC Capital Markets**

Canaccord Genuity **William Blair**

Co-Managers

JMP Securities **Keefe, Bruyette & Woods**
A Stifel Company

March , 2021

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Part II

Not required in prospectus

Item 13. Other expenses of issuance.

The following table sets forth the various expenses, other than the underwriting discount, payable in connection with the offering contemplated by this registration statement. All of the fees set forth below are estimates except for the SEC registration fee and the FINRA fee.

	Payable by the registrant
SEC filing fee	$ 52,458.17
FINRA fee	$ 75,000.00
Printing expenses	$ 220,000.00
Legal fees and expenses	$ 750,000.00
Accounting fees and expenses	$ 740,000.00
Transfer agent and registrar fees	$ 6,500.00
Miscellaneous fees and expenses	$ —
Total	$ 1,843,958.00

Item 14. Indemnification of directors and officers.

Section 145 of the General Corporation Law of the State of Delaware (the “DGCL”), provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the registrant. The DGCL provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. Our amended and restated certificate of incorporation provides for indemnification by us of our directors and officers to the fullest extent permitted by the DGCL.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director’s duty of loyalty to the corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL or (4) for any transaction from which the director derived an improper personal benefit. Our amended and restated certificate of incorporation provides for such limitation of liability.

We maintain standard policies of insurance under which coverage is provided (a) to our directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act, and (b) to us with respect to payments which may be made by us to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

We expect that the underwriting agreement, the form of which will be filed as an exhibit to the registration statement, will provide for indemnification of directors and officers of MediaAlpha, Inc. by the underwriters against certain liabilities.

We have entered into customary indemnification agreements with our directors and officers. These agreements require us to indemnify these individuals to the fullest extent permitted under the DGCL against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

Item 15. Recent sales of unregistered securities.

On October 27, 2020, we issued 26,141,535 shares of our Class A common stock and 30,308,492 shares of our Class B common stock in connection with the transactions that we refer to as the IPO reorganization. The issuance of such shares of Class A common stock and Class B common stock was not registered under the Securities Act of 1933, because the shares were offered and sold in a transaction by us not involving any public offering and exempt from registration under Section 4(a)(2) of the Securities Act of 1933 or Rule 701 thereunder.

Item 16. Exhibits and financial statement schedules.

(a) Exhibits: The list of exhibits set forth under *"Exhibit Index"* at the end of this Registration Statement is incorporated herein by reference.

Some of the agreements included as exhibits to this Registration Statement contain representations and warranties by the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (1) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (2) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement; (3) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (4) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement. We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosures of material information regarding contractual provisions are required to make the statements in this Registration Statement not misleading.

(b) Financial Statement Schedules: Financial statement schedules have been included herein. See the index to financial statements included elsewhere in this prospectus.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 14 of this registration statement, or otherwise, the registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The registrant hereby further undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective; and

(2) For purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Exhibit index

Exhibit number	Exhibit description
1.1*	Form of Underwriting Agreement
3.1***	Amended and Restated Certificate of Incorporation of MediaAlpha, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).
3.2***	Amended and Restated Bylaws of MediaAlpha, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).
4.1***	Form of Class A Common Stock Certificate of MediaAlpha, Inc. (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 20, 2020).
4.2***	Registration Rights Agreement, dated October 27, 2020, by and among MediaAlpha, Inc., White Mountains Investments (Luxembourg) S.à r.l., Insignia QL Holdings, LLC, Insignia A QL Holdings, LLC, Steven Yi, Eugene Nonko, Ambrose Wang and certain other parties thereto (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).
5.1*	Opinion of Cravath, Swaine & Moore LLP
10.1***	Third Amended and Restated Limited Liability Company Agreement of QL Holdings LLC, dated as of July 1, 2020 (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
10.2***	Fourth Amended and Restated Limited Liability Company Agreement of QL Holdings LLC, dated as of October 27, 2020 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).
10.3***	Tax Receivables Agreement, dated October 27, 2020, by and among MediaAlpha, Inc., QL Holdings LLC and certain other parties thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).
10.4***	Exchange Agreement, dated October 27, 2020, by and among MediaAlpha, Inc., QL Holdings LLC, Guilford Holdings, Inc. and holders of Class B-1 units of QL Holdings LLC party thereto (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 10-K (File No. 001-39671) filed with the SEC on November 2, 2020).
10.5***	Stockholders' Agreement, dated October 27, 2020, by and among MediaAlpha, Inc., White Mountains Investments (Luxembourg) S.à r.l., Insignia QL Holdings, LLC, Insignia A QL Holdings, LLC and Steven Yi, Eugene Nonko and Ambrose Wang, together with their respective holding entities through which they indirectly hold common stock of MediaAlpha, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).
10.6***	Reorganization Agreement, dated October 27, 2020, by and among MediaAlpha ,Inc., QL Holdings LLC, QuoteLab, LLC, Guilford Holdings, Inc., White Mountains Investments (Luxembourg) S.à r.l., White Mountains Insurance Group, Ltd., Insignia QL Holdings, LLC, Insignia A QL Holdings, LLC, Steven Yi, Eugene Nonko, Ambrose Wang and certain other parties thereto (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).

Exhibit number	Exhibit description
10.7***†	Amended and Restated QL Holdings LLC Class B Restricted Unit Plan (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
10.8***†	Form of Restricted Unit Award Agreement for Founders (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
10.9***†	2014 Form of Restricted Unit Award Agreement for Officers other than Founders (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
10.10***†	2019 Form of Restricted Unit Award Agreement for Officers other than Founders (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
10.11***†	Employment Agreement, dated as of February 3, 2019, by and among Steven Yi and QuoteLab, LLC, QuoteLab Holdings, Inc. and QL Holdings LLC (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
10.12***†	Employment Agreement, dated as of February 3, 2019, by and among Eugene Nonko and QuoteLab, LLC, QuoteLab Holdings, Inc. and QL Holdings LLC (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
10.13***†	Severance Agreement, entered into as of June 2, 2014, by and between Keith Cramer and QuoteLab, LLC (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
10.14***†	MediaAlpha, Inc. 2020 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).
10.15***	2020 Credit Agreement (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
10.16***†	2020 Form of MediaAlpha, Inc. 2020 Omnibus Incentive Plan Restricted Stock Unit Award Agreement for Founders (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 23, 2020).
10.17***†	2020 Form of MediaAlpha, Inc. 2020 Omnibus Incentive Plan Restricted Stock Unit Award Agreement for Officers other than Founders (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 23, 2020).
10.18***†	2020 Form of MediaAlpha, Inc. 2020 Omnibus Incentive Plan Restricted Stock Unit Award Agreement for Directors (incorporated by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 23, 2020).

Exhibit number	Exhibit description
10.19***†	Amended and Restated Employment Agreement, dated as of October 27, 2020, by and among Steven Yi, QuoteLab, LLC and MediaAlpha, Inc. (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).
10.20***†	Amended and Restated Employment Agreement, dated as of October 27, 2020, by and among Eugene Nonko, QuoteLab, LLC and MediaAlpha, Inc. (incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K (File No. 001-39671) filed with the SEC on November 2, 2020).
10.21***†	Employment Agreement, dated as of October 2020, by and among Tigran Sinanyan, QuoteLab, LLC and MediaAlpha, Inc. (incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 23, 2020).
10.22***	First Amendment, dated October 21, 2020, to the Third Amended and Restated Limited Liability Company Agreement of QL Holdings LLC, dated as of July 1, 2020.
21.1***	Subsidiaries of MediaAlpha, Inc. (incorporated by reference to Exhibit 21.1 to the Company's Registration Statement on Form S-1 (File No. 333-249326) filed with the SEC on October 5, 2020).
23.1*	Consent of PricewaterhouseCoopers LLP
23.2*	Consent of Cravath, Swaine & Moore LLP (contained in its opinion filed as Exhibit 5.1 hereto)
24.1*	Power of attorney (included on the signature page to this registration statement)

* Filed herewith.
** To be filed by amendment.
*** Previously filed.
† Indicates management contract or compensatory plan.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on March 16, 2021.

MediaAlpha, Inc.

By: /s/ Steve Yi
Name: Steven Yi
Title: Chief Executive Officer and President

Signatures and powers of attorney

Each of the undersigned officers and directors of MediaAlpha, Inc. hereby severally constitutes and appoints Lance Martinez and Tigran Sinanyan, and each of them acting alone, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any subsequent registration statement filed pursuant to Rule 462 under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them individually, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

	Signature	Title	Date
By:	/s/ Steven Yi Steven Yi	Chief Executive Officer, President and Director (Principal Executive Officer)	March 16, 2021
By:	/s/ Tigran Sinanyan Tigran Sinanyan	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	March 16, 2021
By:	/s/ Vermal (Raji) Arasu Vermal (Raji) Arasu	Director	March 16, 2021
By:	/s/ Anthony Broglio Anthony Broglio	Director	March 16, 2021
By:	/s/ Christopher Delehanty Christopher Delehanty	Director	March 16, 2021
By:	/s/ David Lowe David Lowe	Director	March 16, 2021
By:	/s/ Jennifer Moyer Jennifer Moyer	Director	March 16, 2021
By:	/s/ Eugene Nonko Eugene Nonko	Chief Technology Officer and Director	March 16, 2021
By:	/s/ Lara Sweet Lara Sweet	Director	March 16, 2021
By:	/s/ Kathy Vrabeck Kathy Vrabeck	Chair of the Board of Directors	March 16, 2021

Exhibit 1.1

MediaAlpha, Inc.

[•] Shares of Class A Common Stock

Underwriting Agreement

March [•], 2021

J.P. Morgan Securities LLC
Citigroup Global Markets Inc.

As Representatives of the
several Underwriters listed
in Schedule 1 hereto

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

Certain stockholders named in Schedule 2 hereto (the “Selling Stockholders”, which includes the Selling Stockholders identified on Schedule 2 hereto as Specified Selling Stockholders (each, a “Specified Selling Stockholder”)) of MediaAlpha, Inc., a Delaware corporation (the “Company”), propose to sell to the several underwriters listed in Schedule 1 hereto (the “Underwriters”), for whom you are acting as representatives (the “Representatives”), an aggregate of [•] shares of Class A common stock, par value $0.01 per share (the “Class A Common Stock”), of the Company (the “Underwritten Shares”) and, at the option of the Underwriters, up to an additional [•] shares of Class A Common Stock, of the Company (the “Option Shares”). The Underwritten Shares and the Option Shares are herein referred to as the “Shares”. The shares of Class A Common Stock of the Company to be outstanding after giving effect to the sale of the Shares, together with the shares of Class B common stock, par value $0.01 per share (the “Class B Common Stock”), of the Company are referred to herein as the “Stock”.

The Company is a holding company and its sole material asset is the shares of its wholly owned subsidiary, Guilford Holdings, Inc. (“GHI”), which in turn owns all of the Class A units of QL Holdings LLC (the “LLC”), and the Company operates and controls all of its businesses and affairs through GHI and the LLC. The Company, GHI and the LLC are collectively referred to herein as the “MediaAlpha Parties”.

In connection with the offering contemplated by this underwriting agreement (this "Agreement"), the Class A Common Stock to be sold by each Selling Stockholder (i) is currently held directly by such Selling Stockholder or (ii) will be issued by the Company to such Selling Stockholder upon exchange (the "Exchange") of Class B-1 units (the "Class B-1 Unit") of LLC, held by such Selling Stockholder at a ratio of one Class B-1 Unit, together with one share of Class B Common Stock, for one share of Class A Common Stock of the Company, pursuant to the terms of the Fourth Amended and Restated Limited Liability Company Agreement of LLC (the "LLC Agreement") dated October 27, 2020, by and among the Company, LLC and the other parties named therein and the terms of the Exchange Agreement (the "Exchange Agreement") dated October 27, 2020, by and among the Company, LLC, and the other parties named therein. The Class A Common Stock to be sold in the offering by the Selling Stockholders has been registered for resale pursuant to the Registration Statement (as defined below) in accordance with the terms of the Registration Rights Agreement (the "Registration Rights Agreement") dated October 27, 2020, by and among the Company and the other parties named therein.

Each MediaAlpha Party and the Selling Stockholders, severally and not jointly and to the extent applicable, hereby confirm their agreement with the several Underwriters concerning the purchase and sale of the Shares, as follows:

1. Registration Statement. The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Securities Act"), a registration statement (File No. 333-[•]), including a prospectus, relating to the Shares. Such registration statement, as amended at the time it became effective, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Securities Act to be part of the registration statement at the time of its effectiveness ("Rule 430 Information"), is referred to herein as the "Registration Statement"; and as used herein, the term "Preliminary Prospectus" means each prospectus included in such registration statement (and any amendments thereto) before effectiveness, any prospectus filed with the Commission pursuant to Rule 424(a) under the Securities Act and the prospectus included in the Registration Statement at the time of its effectiveness that omits Rule 430 Information, and the term "Prospectus" means the prospectus in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Securities Act) in connection with confirmation of sales of the Shares. If the Company has filed an abbreviated registration statement pursuant to Rule 462(b) under the Securities Act (the "Rule 462 Registration Statement"), then any reference herein to the term "Registration Statement" shall be deemed to include such Rule 462 Registration Statement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Registration Statement and the Prospectus.

At or prior to the Applicable Time (as defined below), the Company had prepared the following information (collectively with the pricing information set forth on Annex A hereto, the "Pricing Disclosure Package"): a Preliminary Prospectus dated [•], 2021 and each "free-writing prospectus" (as defined pursuant to Rule 405 under the Securities Act) listed on Annex A hereto.

"Applicable Time" means [—:—] P.M., New York City time, on [•], 2021.

2. Purchase of the Shares. (a) Each of the Selling Stockholders agrees, severally and not jointly, to sell the Underwritten Shares to the several Underwriters as provided in this Agreement, and each Underwriter, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase at a price per share of $[•] (the "Purchase Price") from each of the Selling Stockholders the number of Underwritten Shares (to be adjusted by you so as to eliminate fractional shares) determined by multiplying the aggregate

number of Underwritten Shares to be sold by each of the Selling Stockholders as set forth opposite their respective names in Schedule 2 hereto by a fraction, the numerator of which is the aggregate number of Underwritten Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in Schedule 1 hereto and the denominator of which is the aggregate number of Underwritten Shares to be purchased by all the Underwriters under Schedule 1.

In addition, each of the Selling Stockholders agrees, severally and not jointly, as and to the extent indicated in Schedule 2 hereto, to sell the Option Shares to the several Underwriters as provided in this Agreement, and the Underwriters, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, shall have the option to purchase, severally and not jointly, from each Selling Stockholder the Option Shares at the Purchase Price less an amount per share equal to any dividends or distributions declared by the Company and payable on the Underwritten Shares but not payable on the Option Shares.

If any Option Shares are to be purchased, the number of Option Shares to be purchased by each Underwriter shall be the number of Option Shares which bears the same ratio to the aggregate number of Option Shares being purchased as the number of Underwritten Shares set forth opposite the name of such Underwriter in Schedule 1 hereto (or such number increased as set forth in Section 12 hereof) bears to the aggregate number of Underwritten Shares being purchased from the Selling Stockholders by the several Underwriters, subject, however, to such adjustments to eliminate any fractional Shares as the Representatives in their sole discretion shall make. Any such election to purchase Option Shares shall be made in proportion to the maximum number of Option Shares to be sold by each Selling Stockholder as set forth in Schedule 2 hereto.

The Underwriters may exercise the option to purchase Option Shares at any time in whole, or from time to time in part, on or before the thirtieth day following the date of the Prospectus, by written notice from the Representatives to each of the Selling Stockholders who are not Specified Selling Stockholders. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the date and time when the Option Shares are to be delivered and paid for, which may be the same date and time as the Closing Date (as hereinafter defined) but shall not be earlier than the Closing Date nor later than the tenth full business day (as hereinafter defined) after the date of such notice (unless such time and date are postponed in accordance with the provisions of Section 12 hereof). Any such notice shall be given at least two business days prior to the date and time of delivery specified therein.

(b) The Selling Stockholders understand that the Underwriters intend to make a public offering of the Shares, and initially to offer the Shares on the terms set forth in the Pricing Disclosure Package. The Selling Stockholders acknowledge and agree that the Underwriters may offer and sell Shares to or through any affiliate of an Underwriter.

(c) Payment for the Shares shall be made by wire transfer in immediately available funds to the accounts specified by the Selling Stockholders (or, with respect to the Specified Selling Stockholders, the Attorneys-in-Fact on behalf of such Specified Selling Stockholders), to the Representatives in the case of the Underwritten Shares, at the offices of Davis Polk & Wardwell LLP at 10:00 A.M. New York City time on [•], 2021, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representatives and the Selling Stockholders (or, with respect to the Specified Selling Stockholders, the Attorneys-in-Fact) may agree upon in writing or, in the case of the Option Shares, on the date and at the time and place specified by the Representatives in the written notice of the Underwriters' election to purchase such Option Shares. The time and date of such payment for the Underwritten Shares is referred to herein as the "Closing Date", and the time and date for such payment for the Option Shares, if other than the Closing Date, is herein referred to as the "Additional Closing Date".

Payment for the Shares to be purchased on the Closing Date or the Additional Closing Date, as the case may be, shall be made against delivery to the Representatives for the respective accounts of the several Underwriters of the Shares to be purchased on the Closing Date or the Additional Closing Date, as the case may be, with any transfer taxes payable in connection with the sale of such Shares duly paid by the Selling Stockholders. Delivery of the Shares shall be made through the facilities of The Depository Trust Company ("DTC") unless the Representatives shall otherwise instruct. The certificates for the Shares will be made available for inspection and packaging by the Representatives at the office of DTC or its designated custodian not later than 1:00 P.M., New York City time, on the business day prior to the Closing Date or the Additional Closing Date, as the case may be.

(d) Each of the MediaAlpha Parties and each Selling Stockholder acknowledges and agrees that the Representatives and the other Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the MediaAlpha Parties and the Selling Stockholders with respect to the offering of Shares contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the MediaAlpha Parties, the Selling Stockholders or any other person. Additionally, neither the Representatives nor any other Underwriter is advising the MediaAlpha Parties, the Selling Stockholders or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The MediaAlpha Parties and the Selling Stockholders shall consult with their own advisors concerning such matters and each shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representatives nor any other Underwriter shall have any responsibility or liability to the MediaAlpha Parties or the Selling Stockholders with respect thereto. Any review by the Representatives and the other Underwriters of the MediaAlpha Parties, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representatives and the other Underwriters and shall not be on behalf of the MediaAlpha Parties or the Selling Stockholders. Moreover, each Selling Stockholder acknowledges and agrees that, although the Representatives may be required or choose to provide the Selling Stockholders with certain Regulation Best Interest and Form CRS disclosures in connection with the offering, the Representatives and the other Underwriters are not making a recommendation to the Selling Stockholders to participate in the offering, enter into a "lock-up" agreement, or sell any Shares at the price determined in the offering, and nothing set forth in such disclosures is intended to suggest that the Representatives or any Underwriter is making such a recommendation.

3. Representations and Warranties of the MediaAlpha Parties. Each MediaAlpha Party, jointly and severally, represents and warrants to each Underwriter and the Selling Stockholders that:

(a) *Preliminary Prospectus.* No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus included in the Pricing Disclosure Package, at the time of filing thereof, complied in all material respects with the Securities Act, and no Preliminary Prospectus, at the time of filing thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the MediaAlpha Parties make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(b) *Pricing Disclosure Package*. The Pricing Disclosure Package as of the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the MediaAlpha Parties make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof. No statement of material fact included in the Prospectus has been omitted from the Pricing Disclosure Package and no statement of material fact included in the Pricing Disclosure Package that is required to be included in the Prospectus has been omitted therefrom.

(c) *Issuer Free Writing Prospectus.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, the Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any "written communication" (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Shares (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an "Issuer Free Writing Prospectus") other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act, (ii) the documents listed on Annex A hereto, (iii) each electronic road show, and (iv) any other written communications approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complies in all material respects with the Securities Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Securities Act (to the extent required thereby) and does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, and, when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the MediaAlpha Parties make no representation or warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus or Preliminary Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Issuer Free Writing Prospectus or Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(d) *Emerging Growth Company*. From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication undertaken in reliance on Section 5(d) of the Securities Act) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "Emerging Growth Company"). "Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on either Section 5(d) of, or Rule 163B under, the Securities Act.

(e) *Testing-the-Waters Materials.* The Company (i) has not alone engaged in any Testing-the-Waters Communications other than Testing-the-Waters Communications with the consent of the Representatives (x) with entities that are qualified institutional buyers ("QIBs") within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act ("IAIs") and otherwise in compliance with the requirements of Section 5(d) of the Securities Act or (y) with entities that the Company reasonably believed to be QIBs or IAIs and otherwise in compliance with the requirements of Rule 163B under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications by virtue of a writing substantially in the form of Exhibit A hereto. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications other than those listed on Annex B hereto. "Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act. Any individual Written Testing-the-Waters Communication does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, complied in all material respects with the Securities Act, and when taken together with the Pricing Disclosure Package as of the Applicable Time, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that none of the MediaAlpha Parties makes any representation or warranty with respect to any statements or omissions made in each such Written Testing-the-Waters Communications in reliance upon and in conformity with information relating to any Underwriter furnished to any MediaAlpha Party in writing by such Underwriter through the Representatives expressly for use in such Written Testing-the-Waters Communications, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(f) *Registration Statement and Prospectus.* The Registration Statement has been declared effective by the Commission. No order suspending the effectiveness of the Registration Statement has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or related to the offering of the Shares has been initiated or, to the knowledge of the MediaAlpha Parties, threatened by the Commission; as of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will comply in all material respects with the Securities Act and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that none of the MediaAlpha Parties makes any representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(g) *Financial Statements.* The financial statements (including the related notes thereto) of the Company and its consolidated subsidiaries included in the Registration Statement, the Pricing Disclosure Package and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and present fairly in all material respects the financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of its operations and the changes in its cash flows for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States applied on a consistent basis throughout the periods covered thereby, and any supporting schedules included in the Registration Statement present fairly the information required to be stated therein; the other financial information included in the Registration Statement, the Pricing Disclosure Package and the Prospectus has been derived from the accounting records of the Company and its consolidated subsidiaries and presents fairly in all material respects the information shown thereby; all disclosures included in the Registration Statement, the Pricing Disclosure Package and the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of Commission) comply with Regulation G of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Item 10 of Regulation S-K of the Securities Act, to the extent applicable; and the pro forma financial information and the related notes thereto included in the Registration Statement, the Pricing Disclosure Package and the Prospectus have been prepared in accordance with the applicable requirements of the Securities Act and the assumptions underlying such pro forma financial information are reasonable and are set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(h) *No Material Adverse Change.* Since the date of the most recent financial statements of the Company included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (i) there has not been any change in the capital stock or outstanding equity, as applicable (other than the issuance of shares of Stock described in, the exchange, if any, of equity interests of the LLC described in, and the grant of options and awards under existing equity incentive plans described in the Registration Statement, the Pricing Disclosure Package and the Prospectus), any material change in short-term debt or long-term debt of the Company or its subsidiaries (other than borrowings, if any, under the 2020 Credit Facility), or any dividend or distribution of any kind declared, set aside for payment, paid or made by the MediaAlpha Parties on any class of capital stock or other equity interests, as applicable (other than distributions of proceeds from borrowings, if any, under the 2020 Credit Facility and any tax distributions made by the Company or its subsidiaries in the ordinary course of business), or any material adverse change, or any development that would reasonably be expected to result in a material adverse change, in or affecting the business, properties, management, financial position, stockholders' equity, members' equity, results of operations or prospects of the Company and its subsidiaries, taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the

Company and its subsidiaries, taken as a whole, or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries, taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any loss or interference with its business that is material to the Company and its subsidiaries, taken as a whole, and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(i) *Organization and Good Standing.* The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization (to the extent the concept of good standing or an equivalent concept is applicable in such jurisdictions), are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification (to the extent the concept of good standing or an equivalent concept is applicable in such jurisdictions), and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on the business, properties, management, financial position, stockholders' equity, members' equity or results of operations of the Company and its subsidiaries, taken as a whole, or on the performance by the MediaAlpha Parties of their respective obligations under the Transaction Documents (as defined below) (a "Material Adverse Effect"). The MediaAlpha Parties do not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21 to the Registration Statement.

(j) *Capitalization.* The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading "Capitalization"; all the outstanding shares of capital stock of the Company (including the Shares to be sold by the Selling Stockholders) have been duly and validly authorized and issued and are fully paid and non-assessable and are not subject to any pre-emptive or similar rights; except as described in or expressly contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no outstanding rights (including, without limitation, pre-emptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in the Company or any of its subsidiaries, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock or equity interest of the Company or any such subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options; the capital stock of the Company conforms in all material respects to the descriptions thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and, except as described in or expressly contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, all of the outstanding shares of capital stock or other equity interests of each subsidiary owned, directly or indirectly, by the Company have been duly and validly authorized and issued, are fully paid and non-assessable (and in the case of equity interests in any such subsidiary that is not a corporation, the Company or other holder of such equity interests has no obligation to make payments or contributions to such subsidiary or its creditors solely by reason of its ownership of such equity interests) and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(k) *Due Authorization.* Each MediaAlpha Party has full right, power and authority to execute and deliver, to the extent a party thereto, the Transaction Documents (as defined below) among the Company and certain stockholders party thereto, and to perform its obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization, execution and delivery by it of each of the Transaction Documents to which it is a party and the consummation by it of the transactions contemplated hereby and thereby has been duly and validly taken.

(l) *Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by each MediaAlpha Party.

(m) *The Exchange*. The Shares to be issued pursuant to the Exchange to certain of the Selling Stockholders have been duly authorized by the Company and validly reserved for issuance, and at the time of delivery to the Underwriters, such Shares will be issued and delivered in accordance with the provisions of the Exchange Agreement and will be validly issued, fully paid and non-assessable and will conform to the description thereof in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and the issuance of the Shares pursuant to the Exchange are not subject to any preemptive or similar rights.

(n) *Other Transaction Documents.* Each of the LLC Agreement, the Exchange Agreement, and the Registration Rights Agreement (together with this Agreement, the "Transaction Documents"), by and among the Company, LLC and the other parties named therein, has been duly authorized, executed and delivered by each of the MediaAlpha Parties to the extent each is a party thereto and constitute valid and legally binding agreements of the MediaAlpha Parties, as applicable, enforceable against the MediaAlpha Parties, as applicable, in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

(o) *Descriptions of the Transaction Documents.* Each Transaction Document conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(p) *No Violation or Default.* Neither the Company nor any of its subsidiaries is (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property or asset of the Company or any of its subsidiaries is subject; or (iii) in violation of any law or statute applicable to the Company or any of its subsidiaries or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company or any of its subsidiaries, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(q) *No Conflicts.* The execution, delivery and performance by each MediaAlpha Party of each of the Transaction Documents to which it is a party, the issuance of the Shares pursuant to the Exchange by the Company and the consummation of the transactions contemplated by the Transaction Documents or the Pricing Disclosure Package and the Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property, right or asset of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of the Company or any of its subsidiaries or (iii) result in the violation of any law or statute applicable to the Company or any of its subsidiaries or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company or any of its subsidiaries, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(r) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by each MediaAlpha Party of any of the Transaction Documents to which it is a party, the issuance by the Company of the Shares pursuant to the Exchange and the consummation of the transactions contemplated by the Transaction Documents, except for (i) the registration of the Shares under the Securities Act, (ii) such consents, approvals, authorizations, orders and registrations or qualifications as have already been obtained, made or waived or will be obtained prior to the Closing Date, (iii) as may be required by the Financial Industry Regulatory Authority, Inc. ("FINRA"), NYSE and under applicable state securities laws in connection with the purchase and distribution of the Shares by the Underwriters or (iv) where the failure to obtain any such consent, approval, authorization, order, registration or qualification would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(s) *Legal Proceedings.* Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no legal, governmental or regulatory investigations, actions, demands, claims, suits, arbitrations, inquiries or proceedings ("Actions") pending to which the Company or any of its subsidiaries is or, to the knowledge of the MediaAlpha Parties, may reasonably be expected to become a party or to which any property of the Company or any of its subsidiaries is or, to the knowledge of the MediaAlpha Parties, may reasonably be expected to become, the subject that, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to have a Material Adverse Effect; no such Actions are threatened or, to the knowledge of the MediaAlpha Parties, contemplated by any governmental or regulatory authority or threatened by others, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and (i) there are no material current or pending Actions that are required under the Securities Act to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and (ii) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(t) *Independent Accountants*. PricewaterhouseCoopers LLP, who has audited certain financial statements of the Company and the LLC and its subsidiaries is an independent registered public accounting firm with respect to the Company, GHI, and the LLC and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(u) *Title to Real and Personal Property.* The Company and its subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property (other than Intellectual Property (as defined below), which is addressed exclusively in Section 3(w) below) that are material to the business of the Company and its subsidiaries, taken as a whole, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those (i) that are described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (ii) that do not materially interfere with the use made or currently proposed to be made of such property by the Company and its subsidiaries, taken as a whole, or (iii) that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(v) *Intellectual Property.* (i) The Company and its subsidiaries own or have the right to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, domain names and other source indicators, copyrights and copyrightable works, know-how, trade secrets, systems, procedures, proprietary or confidential information and all other worldwide intellectual property, industrial property and proprietary rights (collectively, “Intellectual Property”) used in the conduct of their respective businesses as currently conducted, except where such failure to own or possess such rights would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect (the “Company Intellectual Property”); (ii) the Company and its subsidiaries’ conduct of their respective businesses does not infringe, misappropriate or otherwise violate any Intellectual Property of any person, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; (iii) the Company and its subsidiaries have not received or sent any written notice of any claim relating to the infringement, misappropriation or other violation of any Intellectual Property, in each case, which claim, if determined adversely to the Company or its subsidiaries, would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; (iv) to the knowledge of the MediaAlpha Parties, the material Intellectual Property of the Company and its subsidiaries is not being infringed, misappropriated or otherwise violated by any person; (v) except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, all Company Intellectual Property owned by the Company or its subsidiaries or exclusively licensed to the Company or its subsidiaries, is subsisting, valid and enforceable; and (vi) the Company and its subsidiaries have used commercially reasonable efforts to protect their rights in confidential information and trade secrets and protect any confidential information provided to them by any other party, and all key employees and any other employees, consultants and contractors involved in the development of material Intellectual Property for the Company or its subsidiaries have signed confidentiality and invention assignment agreements that presently assign all of their right, title and interest in and to any such Intellectual Property to the Company or its applicable subsidiary.

(w) *Software.* Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (i) the Company and its subsidiaries use and have used software and other materials distributed under a "free," "open source," or similar licensing model (including but not limited to the MIT License, Apache License, GNU General Public License, GNU Lesser General Public License and GNU Affero General Public License) ("Open Source Software") in compliance with all license terms applicable to such Open Source Software; and (ii) neither the Company nor any of its subsidiaries use or distribute or have used or distributed any Open Source Software in any manner that, to the knowledge of the MediaAlpha Parties, requires or has required (1) the Company or its subsidiaries to permit reverse-engineering of any software code or other technology owned by the Company or its subsidiaries or (2) any software code or other technology owned by the Company or its subsidiaries to be disclosed or distributed in source code form, licensed for the purpose of making derivative works or redistributed at no charge. Neither the Company nor any of its subsidiaries have deposited, or could be required to deposit, into escrow the source code of any of its software and no such source code has been released to any third party, or is entitled to be released to any third party, by any escrow agent.

(x) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, stockholders, customers, suppliers or other affiliates of the Company or any of its subsidiaries, on the other, that is required by the Securities Act to be described in each of the Registration Statement and the Prospectus and that is not so described in such documents and in the Pricing Disclosure Package.

(y) *Investment Company Act.* Each MediaAlpha Party is not required to register as an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Investment Company Act").

(z) *Taxes.* The Company and its subsidiaries have paid all federal, state, local and foreign taxes and filed all income tax returns required to be paid or filed through the date hereof, except where the failure to file or pay would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or except as currently being contested in good faith and for which reserves required by U.S. GAAP have been created in the applicable financial statements; and, except as otherwise disclosed in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, there is no tax deficiency that has been, or would reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets which would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(aa) *Licenses and Permits.* The Company and its subsidiaries possess all licenses, sub-licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities having jurisdiction over the Company and its subsidiaries that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, except where the failure to possess or make the same would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and except as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, neither the Company nor any of its subsidiaries has received notice of any revocation or modification of any such license, sub-license, certificate, permit or authorization or has any reason to believe that any such license, sub-license, certificate, permit or authorization will not be renewed in the ordinary course, except where such revocation or modification would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(bb) *No Labor Disputes.* No labor disturbance by or dispute with employees of the Company or any of its subsidiaries exists or, to the knowledge of the MediaAlpha Parties, is contemplated or threatened, and no MediaAlpha Party is aware of any existing or imminent labor disturbance by, or dispute with, the employees of the Company's or its subsidiaries' principal suppliers, contractors or customers, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of cancellation or termination with respect to any collective bargaining agreement to which it is a party, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(cc) *Certain Environmental Matters*. (i) The Company and its subsidiaries (x) are in compliance with all, and have not violated any, applicable federal, state, local and foreign laws (including common law), rules, regulations, requirements, decisions, judgments, decrees, orders and other legally enforceable requirements relating to pollution or the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"); (y) have received and are in compliance with all, and have not violated any, permits, licenses, certificates or other authorizations or approvals required of them under any Environmental Laws to conduct their respective businesses; and (z) have not received notice of any actual or potential liability or obligation of the Company or any of its subsidiaries under or relating to, or any actual or potential violation of, any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such matter as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and (iii) except as described in each of the Pricing Disclosure Package and the Prospectus, (x) there is no proceeding that is pending, or that is known to be contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceeding regarding which it is reasonably believed no monetary sanctions of $100,000 or more will be imposed, (y) the Company and its subsidiaries are not aware of any facts or issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that could reasonably be expected to have a material effect on the capital expenditures, earnings or competitive position of the Company and its subsidiaries, and (z) none of the Company or any of its subsidiaries anticipates material capital expenditures relating to any Environmental Laws.

(dd) *Compliance with ERISA*. (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), for which the Company or any member of its "Controlled Group" (defined as any entity, whether or not incorporated, that is under common control with the Company within the meaning of Section 4001(a)(14) of ERISA or any entity that would be regarded as a single employer with the Company under Section 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended (the "Code")), has any liability (each, a "Plan") has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan, excluding transactions effected pursuant to a statutory or administrative exemption; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no Plan has failed (whether or not waived), or is reasonably expected to fail, to satisfy the minimum funding standards (within the meaning of Section 302 of ERISA or Section 412 of the Code) applicable to such Plan; (iv) no Plan is, or is reasonably expected to be, in "at risk status" (within the meaning of Section 303(i) of ERISA) and no Plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA is in "endangered status" or "critical status" (within the meaning of Sections 304 and 305 of ERISA) (v) the fair market value of the assets of each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (vi) no "reportable event" (within the meaning of Section 4043(c) of ERISA and the regulations promulgated thereunder) has occurred or is reasonably expected to occur; (vii) each Plan that is intended to be qualified under Section 401(a) of the Code is so qualified, and nothing has occurred, whether by action or by failure to act, which would reasonably be expected to cause the loss of such qualification; (viii) none of the Company or any member of the Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guarantee Corporation, in the ordinary course and without default) in respect of a Plan (including a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA); and (ix) none of the following events has occurred or is reasonably likely to occur: (A) a material increase in the aggregate amount of contributions required to be made to all Plans by the Company or its Controlled Group affiliates in the current fiscal year of the Company and its Controlled Group affiliates compared to the amount of such contributions made in the Company's and its Controlled Group affiliates' most recently completed fiscal year; or (B) a material increase in the Company's and its subsidiaries' "accumulated post-retirement benefit obligations" (within the meaning of Accounting Standards Codification Topic 715-60) compared to the amount of such obligations in the Company's and its subsidiaries' most recently completed fiscal year, except in each case with respect to the events or conditions set forth in (i) through (ix) hereof, as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(ee) *Disclosure Controls*. The Company and its subsidiaries on a consolidated basis maintain an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act) that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

(ff) *Accounting Controls.* The Company and its subsidiaries on a consolidated basis maintain a system of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that has been designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company and its subsidiaries on a consolidated basis maintain internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no material weaknesses in the internal controls of the Company and its subsidiaries on a consolidated basis (it being understood that the Company is not required as of the date hereof to comply with Section 404 of the Sarbanes-Oxley Act (as defined below)). The auditors of the Company and the Audit Committee of the Board of Directors of the Company have been advised of: (i) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which have adversely affected or are reasonably likely to adversely affect the ability of the Company and its subsidiaries on a consolidated basis to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in such internal controls over financial reporting.

(gg) *Insurance.* The Company and its subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as each MediaAlpha Party believes in good faith are adequate to protect the Company and its subsidiaries and their business, taken as a whole; and neither the Company nor any of its subsidiaries has (i) received notice from any insurer or agent of such insurer that material capital improvements or other material expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

(hh) *Cybersecurity; Data Protection.* (i) To the knowledge of the MediaAlpha Parties, the Company's and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "IT Systems") are adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted, free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants designed to damage or corrupt the IT Systems; (ii) the Company and its subsidiaries have implemented and currently implement and have maintained and currently maintain commercially reasonable controls, policies, procedures, and safeguards to maintain and protect the integrity, continuous operation and security of all IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data ("Personal Data")) used in connection with their businesses, and there have been no breaches, violations, outages or unauthorized uses of or accesses to same, except for those that have been remedied without material cost or liability or the duty to notify any other person, nor any incidents under internal review or investigations relating to the same; and (iii) the Company and its subsidiaries are presently in material compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority and internal policies relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification, except as would not, in the case of each of clause (i), (ii) and (iii), reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;.

(ii) *No Unlawful Payments.* Neither the Company nor any of its subsidiaries, nor any director or officer of the Company or any of its subsidiaries nor, to the knowledge of the MediaAlpha Parties, any employee, agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Company and its subsidiaries, taken as a whole, have instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(jj) *Compliance with Anti-Money Laundering Laws*. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the “Anti-Money Laundering Laws”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the MediaAlpha Parties, threatened.

(kk) *No Conflicts with Sanctions Laws.* Neither the Company nor any of its subsidiaries, directors or officers, or, to the knowledge of the MediaAlpha Parties, any employee, agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries is currently the subject or the target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council (“UNSC”), the European Union, Her Majesty’s Treasury (“HMT”) or other relevant sanctions authority (collectively, “Sanctions”), nor is the Company or any of its subsidiaries located, organized or resident in a country or territory that is the subject or target of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea and Syria (each, a “Sanctioned Country”); and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. For the past five years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(ll) *No Restrictions on Subsidiaries*. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, no subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock or similar ownership interest, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(mm) *No Broker's Fees.* Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement and other than fees payable to Solebury Capital LLC or its affiliates in connection with the transactions contemplated by this Agreement) that would give rise to a valid claim against the Company or any of its subsidiaries or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Shares.

(nn) *No Registration Rights*. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus and except as exercised in connection with this offering or otherwise waived, no person has the right to require the Company or any of its subsidiaries to register any securities for sale under the Securities Act by reason of the filing of the Registration Statement with the Commission or, to the knowledge of the MediaAlpha Parties, the sale of the Shares to be sold by the Selling Stockholders hereunder.

(oo) *No Stabilization.* None of the MediaAlpha Parties have taken, directly or indirectly, without giving effect to the activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(pp) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included or incorporated by reference in any of the Registration Statement, the Pricing Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(qq) *Statistical and Market Data.* Nothing has come to the attention of any MediaAlpha Party that has caused such MediaAlpha Party to believe that the statistical and market-related data included in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects.

(rr) *Sarbanes-Oxley Act*. To the extent applicable to the Company on the date hereof, there is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(ss) *Status under the Securities Act*. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Shares and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Securities Act.

(tt) *No Ratings*. There are (and prior to the Closing Date, will be) no debt securities, convertible securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries that are rated by a "nationally recognized statistical rating organization", as such term is defined in Section 3(a)(62) under the Exchange Act.

(uu) *Legality*. The legality, validity, enforceability or admissibility into evidence of any of the Registration Statement, the Pricing Disclosure Package, the Prospectus, this Agreement or the Shares in any jurisdiction in which the Company is organized or does business is not dependent upon such document being submitted into, filed or recorded with any court or other authority in any such jurisdiction on or before the date hereof or that any tax, imposition or charge be paid in any such jurisdiction on or in respect of any such document.

4. <u>Representations and Warranties of the Selling Stockholders</u>. Each of the Selling Stockholders, severally and not jointly, represents and warrants to each Underwriter and each MediaAlpha Party that:

(a) *Required Consents; Authority*. (i) In the case of a Selling Stockholder other than a Specified Selling Stockholder, (A) all consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement, and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder, have been obtained, except for (x) such consents, approvals, authorizations and orders as have already been obtained, made or waived or will be obtained prior to the Closing Date, (y) such consents, approvals, authorizations and orders as may be required by FINRA, NYSE and under applicable state securities laws in connection with the purchase and distribution of the Shares by the Underwriters or (z) where the failure to obtain any such consent, approval, authorization or order would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; (B) such Selling Stockholder has full right, power and authority to enter into this Agreement and to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder; and (C) this Agreement has been duly authorized, executed and delivered by such Selling Stockholder.

(ii) In the case of a Specified Selling Stockholder, (A) all consents, approvals, authorizations and orders necessary for the execution and delivery by such Specified Selling Stockholder of this Agreement, the Power of Attorney (the "Power of Attorney") and the Custody Agreement (the "Custody Agreement"), and for the sale and delivery of the Shares to be sold by such Specified Selling Stockholder hereunder, have been obtained, except for (x) such consents, approvals, authorizations and orders as have already been obtained, made or waived or will be obtained prior to the Closing Date, (y) such consents, approvals, authorizations and orders as may be required by FINRA, NYSE and under applicable state securities laws in connection with the purchase and distribution of the Shares by the Underwriters or (z) where the failure to obtain any such consent, approval, authorization or order would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect on such Specified Selling Stockholder's ability to consummate the transactions contemplated by, and perform its obligations under, this Agreement; (B) such Specified Selling Stockholder has full right, power and authority to enter into this Agreement, the Power of Attorney and the Custody Agreement and to sell, assign, transfer and deliver the Shares to be sold by such Specified Selling Stockholder hereunder; (C) this Agreement, the Power of Attorney and the Custody Agreement have each has been duly executed and delivered by such Specified Selling Stockholder.

(b) *No Conflicts*. The execution, delivery and performance by such Selling Stockholder of this Agreement and, in the case of a Specified Selling Stockholder, the Power of Attorney and the Custody Agreement, the sale of the Shares to be sold by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated herein or therein will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of such Selling Stockholder pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property, right or asset of such Selling Stockholder is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of such Selling Stockholder or (iii) result in the violation of any law or statute applicable to such Selling Stockholder or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory agency having jurisdiction over such Selling Stockholder, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not reasonably be expected to prevent or impede such Selling Stockholder's ability to perform its obligations under this Agreement in any material respect.

(c) *Title to Shares.* After giving effect to the Exchange, if applicable, such Selling Stockholder has and will have, immediately prior to the Closing Date or the Additional Closing Date, as the case may be, good and valid title to the Shares to be sold at the Closing Date or the Additional Closing Date, as the case may be, by such Selling Stockholder, free and clear of all liens, encumbrances, equities or adverse claims; and, upon delivery of the Shares and payment therefor pursuant hereto, good and valid title to such Shares, free and clear of all liens, encumbrances, equities or adverse claims, will pass to the several Underwriters.

(d) *No Stabilization.* Such Selling Stockholder has not taken and will not take, directly or indirectly, without giving effect to the activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(e) *Pricing Disclosure Package*. The Pricing Disclosure Package, at the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that such Selling Stockholder's representations and warranties under this Section 4(e) are limited solely to the information relating to such Selling Stockholder furnished to the Company in writing by such Selling Stockholder expressly for use in the Pricing Disclosure Package and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by such Selling Stockholder consists of (i) the name of such Selling Stockholder, (ii) the number of shares of Class A Common Stock owned by such Selling Stockholder prior to the completion of this offering, (iii) the information set forth in the applicable footnote relating to such Selling Stockholder under the beneficial ownership table and (iv) the number of Shares to be offered by such Selling Stockholder, in each case as set forth in the section entitled "Principal and selling stockholders" in the Registration Statement, the Pricing Disclosure Package and the Prospectus (the "Selling Stockholder Information")

(f) *Issuer Free Writing Prospectus and Written Testing-the-Waters Communication.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, such Selling Stockholder (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus or Written Testing-the-Waters Communication, other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A or Annex B hereto, each electronic road show and any other written communications approved in writing in advance by the Company and the Representatives.

(g) *Registration Statement and Prospectus.* As of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that such Selling Stockholder's representations and warranties under this Section 4(g) are limited solely to the Selling Stockholder Information.

(h) *Material Information*. As of the date hereof, as of the Closing Date and as of the Additional Closing Date, as the case may be, the sale of the Shares by such Selling Stockholder is not and will not be prompted by any material information concerning the Company which is not set forth in the Registration Statement, the Pricing Disclosure Package or the Prospectus.

(i) *No Unlawful Payments.* Neither such Selling Stockholder nor any of its subsidiaries, nor any director or officer of such Selling Stockholder or any of its subsidiaries nor, to the knowledge of such Selling Stockholder, any employee, agent, affiliate or other person associated with or acting on behalf of such Selling Stockholder or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. Such Selling Stockholder and its subsidiaries, taken as a whole, have instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(j) *Compliance with Anti-Money Laundering Laws*. The operations of such Selling Stockholder and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where such Selling Stockholder or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving such Selling Stockholder or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of such Selling Stockholder, threatened.

(k) *No Conflicts with Sanctions Laws.* Neither such Selling Stockholder nor any of its subsidiaries, directors or officers, nor, to the knowledge of such Selling Stockholder, any employee, agent, affiliate or other person associated with or acting on behalf of such Selling Stockholder or any of its subsidiaries is currently the subject or the target of any Sanctions, nor is such Selling Stockholder, any of its subsidiaries located, organized or resident in a Sanctioned Country; and such Selling Stockholder will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. For the past five years, such Selling Stockholder and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(l) *Organization and Good Standing.* To the extent applicable, such Selling Stockholder has been duly organized and is validly existing and in good standing under the laws of its respective jurisdictions of organization.

(m) *Delivery of Shares.* Such Selling Stockholder specifically agrees that the obligations of such Selling Stockholder hereunder shall not be terminated by operation of law, whether by the death or incapacity of any individual Selling Stockholder, or, in the case of an estate or trust, by the death or incapacity of any executor or trustee or the termination of such estate or trust, or in the case of a partnership, corporation or similar organization, by the dissolution of such partnership, corporation or organization, or by the occurrence of any other event. If any individual Selling Stockholder or any such executor or trustee should die or become incapacitated, or if any such estate or trust should be terminated, or if any such partnership, corporation or similar organization should be dissolved, or if any other such event should occur, before the delivery of the Shares hereunder, such Shares shall be delivered by or on behalf of such Selling Stockholder in accordance with the terms and conditions of this Agreement.

(n) *Specified Selling Stockholders*. All of the Shares to be sold by such Specified Selling Stockholder hereunder have been placed or shall be placed in custody prior to the Closing Date under a Custody Agreement relating to such Shares, in the form heretofore furnished to you, duly executed and delivered by such Specified Selling Stockholder to the Transfer Agent, as custodian (the "Custodian"), and such Specified Selling Stockholder has duly executed and delivered a Power of Attorney, in the form heretofore furnished to you, appointing the person or persons specified therein as Attorneys-in-Fact with authority to execute and deliver this Agreement on behalf of such Specified Selling Stockholder, to determine the purchase price to be paid by the Underwriters to the Specified Selling Stockholder as provided herein, to authorize the delivery of the Shares to be sold by such Specified Selling Stockholder hereunder and the Custody Agreement. Such Specified Selling Stockholder agrees that the Shares held or to be held in custody for such Specified Selling Stockholder under the Custody Agreement are subject to the interests of the Underwriters hereunder, and that the arrangements made by such Specified Selling Stockholder for such custody, and the appointment by such Specified Selling Stockholder of the Attorneys-in-Fact by the Power of Attorney, are to that extent irrevocable.

5. <u>Further Agreements of the Company</u>. The Company covenants and agrees with each Underwriter that:

(a) *Required Filings.* The Company will file the final Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any Issuer Free Writing Prospectus to the extent required by Rule 433 under the Securities Act; and the Company will furnish copies of the Prospectus and each Issuer Free Writing Prospectus (to the extent not previously delivered) to the Underwriters in New York City prior to 10:00 A.M., New York City time, on the business day next succeeding the date of this Agreement in such quantities as the Representatives may reasonably request.

(b) *Delivery of Copies.* The Company will deliver, without charge, (i) to the Representatives, two signed copies of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith, upon the request of the Representatives; and (ii) to each Underwriter (A) a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) upon the request of such Underwriter and (B) during the Prospectus Delivery Period (as defined below), as many copies of the Prospectus (including all amendments and supplements thereto and each Issuer Free Writing Prospectus) as the Representatives may reasonably request. As used herein, the term "Prospectus Delivery Period" means such period of time after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters a prospectus relating to the Shares is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Shares by any Underwriter or dealer.

(c) *Amendments or Supplements, Issuer Free Writing Prospectuses.* Before making, preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement, the Pricing Disclosure Package or the Prospectus, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not make, prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object in a timely manner.

(d) *Notice to the Representatives.* The Company will advise the Representatives promptly, and confirm such advice in writing, (i) when the Registration Statement has become effective; (ii) when any amendment to the Registration Statement has been filed or becomes effective; (iii) when any supplement to the Pricing Disclosure Package, the Prospectus, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication or any amendment to the Prospectus has been filed or distributed; (iv) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or the receipt of any comments from the Commission relating to the Registration Statement or any other request by the Commission for any additional information including, but not limited to, any request for information concerning any Testing-the-Waters Communication; (v) of the issuance by the Commission or any other governmental or regulatory authority of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package, the Prospectus or any Written Testing-the-Waters Communication or the initiation or threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (vi) of the occurrence of any event or development within the Prospectus Delivery Period as a result of which the Prospectus, any of the Pricing Disclosure Package, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the Pricing Disclosure Package, any such Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication is delivered to a purchaser, not misleading; and (vii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Shares for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company will use its reasonable best efforts to prevent the issuance of any such order suspending the effectiveness of the Registration Statement, preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package or the Prospectus or any Written Testing-the-Waters Communication or suspending any such qualification of the Shares and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Ongoing Compliance.* (1) If during the Prospectus Delivery Period (i) any event or development shall occur or condition shall exist as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Prospectus to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law and (2) if at any time prior to the Closing Date (i) any event or development shall occur or condition shall exist as a result of which the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Pricing Disclosure Package to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate, such amendments or supplements to the Pricing Disclosure Package as may be necessary so that the statements in the Pricing Disclosure Package as so amended or supplemented will not, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, be misleading or so that the Pricing Disclosure Package will comply with law.

(f) *Blue Sky Compliance.* The Company will use reasonable best efforts, in cooperation with the Representatives, to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and will continue such qualifications in effect so long as required for distribution of the Shares; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject as of the date of this Agreement.

(g) *Earning Statement.* The Company will make generally available to its security holders and the Representatives as soon as practicable an earning statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the "effective date" (as defined in Rule 158) of the Registration Statement, provided that the Company will be deemed to have complied with such requirement by furnishing such earning statement on the Commission's Electronic Data Gathering, Analysis, and Retrieval system (or any successor system) ("EDGAR").

(h) *Clear Market.* For a period of 90 days after the date of the Prospectus or the remainder of the lock-up period entered into in connection with the Company's initial public offering, whichever is longer (the "Restricted Period"), the Company will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the Commission a registration statement under the Securities Act relating to, any shares of Stock, or any securities convertible into or exercisable or exchangeable for Stock, including limited liability company interests in the LLC convertible or exercisable or exchangeable for Stock, or publicly disclose the intention to undertake any of the foregoing, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise, without the prior written consent of the Representatives.

The restrictions described above do not apply to (i) the Shares to be sold hereunder, (ii) Stock issued, transferred, redeemed or exchanged in connection with the Exchange Agreement, provided that the recipients of such Stock or units pursuant to this clause (ii) agree to be bound in writing by an agreement of the same duration and terms as provided in this section and provided, further, that no filing by any party (donor, donee, transferor or transferee) under the Exchange Act or other public announcement shall be required or shall be made voluntarily in connection with such transfer or distribution (other than a filing on a Form 5 made after the expiration of the Restricted Period referred to above), (iii) the issuance of shares of Stock or securities convertible into or exercisable for shares of Stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of RSUs (including net settlement), in each case outstanding on the date of this Agreement and described in the Prospectus; (iv) grants of stock options, stock awards, restricted stock, RSUs, or other equity awards and the issuance of shares of Stock or securities convertible into or exercisable or exchangeable for shares of Stock (whether upon the exercise of stock options or otherwise) to the Company's employees, officers, directors, advisors, or consultants pursuant to the terms of an equity compensation plan in effect as of the Closing Date and described in the Prospectus, provided that if such recipient has previously delivered a "lock-up" agreement substantially in the form of Exhibit D hereto, such stock options, stock awards, restricted stock, RSUs, or other equity awards or such shares of Stock or securities convertible into or exercisable or exchangeable for shares of Stock will be subject to the terms of such lock-up; (v) the filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of this Agreement (or shares of Class A common stock issued in exchange for such securities pursuant to the Exchange Agreement) and described in the Prospectus or any assumed benefit plan pursuant to an acquisition or similar strategic transaction; (vi) the issuance of shares of Stock or other securities (including securities convertible into shares of Stock) in connection with the acquisition by the Company or any of its subsidiaries of the securities, businesses, properties or other assets of another person or entity or pursuant to any employee benefit plan assumed by the Company in connection with any such acquisition; or (vii) the issuance of shares of Stock or other securities (including securities convertible into shares of Stock) in connection with joint ventures, commercial relationships or other strategic transactions; provided that, in the case of clauses (vi) and (vii), the aggregate number of shares of Stock issued in all such acquisitions and transactions does not exceed 5% of the outstanding Stock of the Company following the offering of the Shares and any recipients of such Shares shall deliver a "lock-up" agreement substantially in the form of Exhibit D hereto.

If J.P. Morgan Securities LLC and Citigroup Global Markets Inc., in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 8(l) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver substantially in the form of Exhibit B hereto at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver substantially in the form of Exhibit C hereto through a major news service at least two business days before the effective date of the release or waiver.

(j) *No Stabilization.* Neither the Company nor its subsidiaries will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Class A Common Stock.

(k) *NYSE Listing.* The Company will use its reasonable best efforts to list the Shares on NYSE, subject to official notice of issuance.

(l) *Reports.* For a period of two years from the date hereof, the Company will furnish to the Representatives, as soon as commercially reasonable after they are available, copies of all reports or other communications (financial or other) furnished to holders of the Shares, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; *provided* the Company will be deemed to have furnished such reports and financial statements to the Representatives to the extent they are filed on EDGAR.

(m) *Record Retention*. The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

(q) *Emerging Growth Company*. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of Shares within the meaning of the Securities Act and (ii) completion of the Restricted Period, referred to in Section 5(h) hereof.

6. Further Agreements of the Selling Stockholders. Each of the Selling Stockholders, severally and not jointly, covenants and agrees with each Underwriter that:

(a) *No Stabilization.* Such Selling Stockholder will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Class A Common Stock.

(b) *Tax Form.* It will deliver to the Representatives prior to or at the Closing Date a properly completed and executed United States Treasury Department Form W-9 or W-8, as appropriate (or other applicable form or statement specified by the Treasury Department regulations in lieu thereof).

(d) *Use of Proceeds*. It will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to a subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject of target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

7. Certain Agreements of the Underwriters. Each Underwriter hereby severally represents and agrees that:

(a) It has not used, authorized use of, referred to or participated in the planning for use of, and will not use, authorize use of, refer to or participate in the planning for use of, any “free writing prospectus”, as defined in Rule 405 under the Securities Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that contains no “issuer information” (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed on Annex A hereto or prepared pursuant to Section 3(c) or Section 4(f) above (including any electronic road show), or (iii) any free writing prospectus prepared by such Underwriter and approved by the Company in advance in writing (each such free writing prospectus referred to in clauses (i) or (iii), an "Underwriter Free Writing Prospectus").

(b) It has not and will not, without the prior written consent of the Company, use any free writing prospectus that contains the final terms of the Shares unless such terms have previously been included in a free writing prospectus filed with the Commission.

(c) It is not subject to any pending proceeding under Section 8A of the Securities Act with respect to the offering (and will promptly notify the Company and the Selling Stockholders if any such proceeding against it is initiated during the Prospectus Delivery Period).

8. <u>Conditions of Underwriters' Obligations.</u> The obligation of each Underwriter to purchase the Underwritten Shares on the Closing Date or the Option Shares on the Additional Closing Date, as the case may be, as provided herein is subject to the performance by the Company and each of the Selling Stockholders severally of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Registration Compliance; No Stop Order.* No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission; the Prospectus and each Issuer Free Writing Prospectus shall have been timely filed with the Commission under the Securities Act (in the case of an Issuer Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act) and in accordance with Section 5(a) hereof; and all requests by the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representatives.

(b) *Representations and Warranties.* The respective representations and warranties of each MediaAlpha Party and the Selling Stockholders contained herein shall be true and correct on the date hereof and on and as of the Closing Date or the Additional Closing Date, as the case may be; and the statements of each MediaAlpha Party and its officers and each of the Selling Stockholders and, in the case of the Selling Stockholders other than Specified Selling Stockholders, their officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date or the Additional Closing Date, as the case may be.

(c) *No Downgrade.* Subsequent to the earlier of (A) the Applicable Time and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded any debt securities, convertible securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries by any "nationally recognized statistical rating organization", as such term is defined under Section 3(a)(62) under the Exchange Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of any such debt securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries (other than an announcement with positive implications of a possible upgrading).

(d) *No Material Adverse Change.* No event or condition of a type described in Section 3(h) hereof shall have occurred or shall exist, which event or condition is not described in the Pricing Disclosure Package (excluding any amendment or supplement thereto) and the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

(e) *Officer's Certificate.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, (x) a certificate, which shall be delivered on behalf of the MediaAlpha Parties and not the signatories in their individual capacity, of a senior executive officer and one additional executive officer of each MediaAlpha Party who are reasonably satisfactory to the Representatives (i) confirming that such officers have carefully reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus and, to the knowledge of such officers, the representations of such MediaAlpha Party set forth in Sections 3(b) and 3(d) hereof are true and correct, (ii) confirming that the other representations and warranties of each MediaAlpha Party in this Agreement are true and correct and that each MediaAlpha Party has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or the Additional Closing Date, as the case may be, and (iii) to the effect set forth in paragraphs (a), (c) and (d) above and (y) a certificate of each of the Selling Stockholders (which, with respect to a Specified Selling Stockholder, may be delivered by an Attorney-in-Fact),in form and substance reasonably satisfactory to the Representatives, (A) confirming that the representations of such Selling Stockholder set forth in Sections 4(e), 4(f) and 4(g) hereof are true and correct and (B) confirming that the other representations and warranties of such Selling Stockholder in this agreement are true and correct and that such Selling Stockholder has complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to such Closing Date.

(f) *Comfort Letters and CFO Certificates.* (i) On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, PricewaterhouseCoopers LLP shall have furnished to the Representatives, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided, that the letter delivered on the Closing Date or the Additional Closing Date, as the case may be, shall use a "cut-off" date no more than three business days prior to such Closing Date or such Additional Closing Date, as the case may be.

(ii) On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives a certificate, dated the respective dates of delivery thereof and addressed to the Underwriters, of its chief financial officer with respect to certain financial data contained in the Pricing Disclosure Package and the Prospectus, providing "management comfort" with respect to such information, in form and substance reasonably satisfactory to the Representatives.

(g) *Opinion and 10b-5 Statement of Counsel for the Company.* Cravath, Swaine & Moore LLP, counsel for the Company, shall have furnished to the Representatives, at the request of the Company, its written opinion and 10b-5 statement, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(h) *Opinion of Counsel for the Selling Stockholders.* CM Law, counsel for White Mountains Investments (Luxembourg) S.à r.l,, Kirkland & Ellis LLP, counsel for Insignia Capital Partners, and Cravath, Swaine & Moore LLP, counsel for the Specified Selling Stockholders shall have furnished to the Representatives, at the request of such Selling Stockholder, its written opinion, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(i) *Opinion and 10b-5 Statement of Counsel for the Underwriters.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, an opinion and 10b-5 statement, addressed to the Underwriters, of Davis Polk & Wardwell LLP, counsel for the Underwriters, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(j) *No Legal Impediment to Sale.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the sale of the Shares by such Selling Stockholder; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the sale of the Shares by such Selling Stockholder.

(k) *Good Standing*. The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, satisfactory evidence of the good standing of each MediaAlpha Party and its subsidiaries in their respective jurisdictions of organization and their good standing in such other jurisdictions as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate governmental authorities of such jurisdictions.

(l) *NYSE Listing.* The Shares to be delivered on the Closing Date or the Additional Closing Date, as the case may be, shall have been approved for listing on NYSE, subject to official notice of issuance.

(m) *Lock-up Agreements*. The "lock-up" agreements, each substantially in the form of Exhibit D hereto, between you and the shareholders, officers and directors of the MediaAlpha Parties listed on Schedule 3 hereto, relating to sales and certain other dispositions of shares of Stock or certain other securities, delivered to you on or before the date hereof, shall be full force and effect on the Closing Date or the Additional Closing Date, as the case may be.

(n) *Additional Documents.* On or prior to the Closing Date or the Additional Closing Date, as the case may be, the MediaAlpha Parties and the Selling Stockholders shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

9. Indemnification and Contribution.

(a) *Indemnification of the Underwriters by the Company.* The MediaAlpha Parties, jointly and severally, agree to indemnify and hold harmless each Underwriter, its affiliates, directors and officers, employees and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonable legal fees and other reasonable expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred and documented), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Securities Act, any Written Testing-the-Waters Communication, any road show as defined in Rule 433(h) under the Securities Act (a "road show") or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in paragraph (c) below.

(b) *Indemnification of the Underwriters by the Selling Stockholders.* Each of the Selling Stockholders, severally and not jointly, agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers, employees and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any such losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission to state a material fact made in reliance upon and in conformity with any information furnished by such Selling Stockholder in writing to the Company relating to such Selling Stockholder expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), it being understood and agreed that for purposes of this Agreement, the only such information so furnished by such Selling Stockholder consists of the Selling Stockholder Information. The aggregate amount of such Selling Stockholder's liability pursuant to this Section 9(b) and Section 9(e) shall not exceed the aggregate amount of proceeds received after underwriting commissions and discounts but before expenses by such Selling Stockholder from the sale of its Shares hereunder.

(c) *Indemnification of the MediaAlpha Parties and the Selling Stockholders.* Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless each MediaAlpha Party, the directors of the Company, the officers of the Company who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and each of the Selling Stockholders to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession and reallowance figures appearing in the [•] paragraph under the caption "Underwriting", and the information contained in the [fifteenth, sixteenth and seventeenth] paragraphs under the caption "Underwriting."

(d) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to the preceding paragraphs of this Section 9, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under the preceding paragraphs of this Section 9. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 9 that the Indemnifying Person may designate in such proceeding and shall pay the reasonably incurred fees and expenses in such proceeding and shall pay the reasonably incurred fees and expenses of such counsel related to such proceeding, as incurred and documented. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the reasonably incurred fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such reasonably incurred fees and expenses shall be paid or reimbursed as they are incurred and documented. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by J.P. Morgan Securities LLC and

Citigroup Global Markets Inc. and any such separate firm for the MediaAlpha Parties, the directors of the Company, the officers of the Company who signed the Registration Statement and any other control persons of the Company shall be designated in writing by the Company and any such separate firm for the Selling Stockholders shall be designated in writing by any one of them. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for reasonably incurred fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into in good faith more than 60 days after receipt by the Indemnifying Person of such request and more than 30 days after receipt of the proposed terms of such settlement and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement, unless such amounts are being contested in good faith. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(e) *Contribution.* If the indemnification provided for in paragraphs (a), (b) or (c) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the MediaAlpha Parties and the Selling Stockholders, on the one hand, and the Underwriters, on the other, from the offering of the Shares or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the MediaAlpha Parties and the Selling Stockholders, on the one hand, and the Underwriters, on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the MediaAlpha Parties and the Selling Stockholders, on the one hand, and the Underwriters, on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Selling Stockholders from the sale of the Shares and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of the Shares. The relative fault of the MediaAlpha Parties and the Selling Stockholders, on the one hand, and the Underwriters, on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the MediaAlpha Parties and the Selling Stockholders or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(f) *Limitation on Liability.* The MediaAlpha Parties, the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to paragraph (e) above were determined by pro rata allocation (even if the Selling Stockholders or the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (e) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (e) above shall be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses incurred and documented by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of paragraphs (e) and (f), in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Shares exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. In no event shall the aggregate liability of a Selling Stockholders under Section 9(b) and Section 9(e) exceed the limit set forth in Section 9(b). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to paragraphs (e) and (f) are several in proportion to their respective purchase obligations hereunder and not joint.

(g) *Non-Exclusive Remedies.* The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

10. Effectiveness of Agreement. This Agreement shall become effective as of the date first written above.

11. Termination. This Agreement may be terminated in the absolute discretion of the Representatives, by notice to the Company and the Selling Stockholders, if after the execution and delivery of this Agreement and on or prior to the Closing Date or, in the case of the Option Shares, prior to the Additional Closing Date (i) trading generally shall have been suspended or materially limited on or by any of NYSE or The Nasdaq Stock Market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representatives, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

12. Defaulting Underwriter.

(a) If, on the Closing Date or the Additional Closing Date, as the case may be, any Underwriter defaults on its obligation to purchase the Shares that it has agreed to purchase hereunder on such date, the non-defaulting Underwriters may in their discretion arrange for the purchase of such Shares by other persons satisfactory to the Company and the Selling Stockholders on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Shares, then the Company and the Selling Stockholders shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Shares on such terms. If other persons become obligated or agree to purchase the Shares of a defaulting Underwriter, either the non-defaulting Underwriters or the Company and the Selling Stockholders may postpone the Closing Date or the

Additional Closing Date, as the case may be, for up to five full business days in order to effect any changes that in the opinion of counsel for the Company, counsel for the Selling Stockholders or counsel for the Underwriters may be necessary in the Registration Statement and the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement and the Prospectus that effects any such changes. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 12, purchases Shares that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters, the Company and the Selling Stockholders as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, does not exceed one-eleventh of the aggregate number of Shares to be purchased on such date, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of Shares that such Underwriter agreed to purchase hereunder on such date plus such Underwriter's pro rata share (based on the number of Shares that such Underwriter agreed to purchase on such date) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters, the Company and the Selling Stockholders as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, exceeds one-eleventh of the aggregate amount of Shares to be purchased on such date, or if the Company and the Selling Stockholders shall not exercise the right described in paragraph (b) above, then this Agreement or, with respect to any Additional Closing Date, the obligation of the Underwriters to purchase Shares on the Additional Closing Date, as the case may be, shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 12 shall be without liability on the part of the MediaAlpha Parties, except that the MediaAlpha Parties, jointly and severally, and the Selling Stockholders will continue to be liable for the payment of expenses as set forth in Section 13 hereof and except that the provisions of Section 9 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the MediaAlpha Parties, the Selling Stockholders or any non-defaulting Underwriter for damages caused by its default.

13. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the MediaAlpha Parties, jointly and severally, will pay or cause to be paid all documented costs and expenses incident to the performance of its obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Shares and any transfer taxes payable in that connection; (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, any Pricing Disclosure Package and the Prospectus (including all exhibits, amendments and supplements thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Company's counsel and independent accountants; (v) the reasonable fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Shares under the laws of such jurisdictions as the Representatives may designate with the prior approval of the Company (such approval not to be unreasonably withheld, conditioned or delayed) and the preparation, printing and distribution of a Blue Sky Memorandum (including the related reasonable fees and expenses of counsel for the Underwriters) (such fees and disbursements of counsel for the Underwriters pursuant to this clause (v) shall not exceed $5,000); (vi) the cost of preparing stock certificates; (vii) the costs and charges of any transfer agent and any registrar; (viii) all reasonable expenses and application fees incurred in connection with any filing with, and clearance of the offering by, FINRA (such application fees and the fees and disbursements of counsel for the Underwriters pursuant to this clause (viii) shall not exceed $50,000); (ix) all expenses incurred by the Company in connection with any "road show" presentation to potential investors, provided, however, that the Underwriters will pay all of the travel, lodging and other expenses of the Underwriters or any of their employees incurred by them in connection with the "road show"; and (x) all expenses and application fees related to the listing of the Shares on NYSE. It is, however, understood that except as provided in this Section 13 or Section 9 hereof, the Underwriters shall pay all of their own costs and expenses, including, without limitation, the fees and disbursements of their counsel, any advertising expenses connected with any offers they make and all of the travel, lodging and other expenses of the Underwriters or any of their employees incurred by them in connection with the "road show".

(b) If (i) this Agreement is terminated pursuant to Section 11 (other than as a result of a termination pursuant to clauses (i), (iii) or (iv) of Section 11), (ii) the Company or the Selling Stockholders for any reason fail to tender the Shares for delivery to the Underwriters (other than as a result of a termination pursuant to clauses (i), (iii) or (iv) of Section 11 or Section 12 or the default by one or more of the Underwriters in its or their respective obligations hereunder in which case, only such defaulting Underwriters shall not be entitled to reimbursement) or (iii) the Underwriters decline to purchase the Shares for any reason permitted under this Agreement (other than the default by one or more of the Underwriters in its or their respective obligations hereunder, in which case only such defaulting Underwriters shall not be entitled to reimbursement), the MediaAlpha Parties agree, jointly and severally, agree to reimburse the Underwriters for all out-of-pocket costs and expenses (including the reasonable fees and expenses of their counsel) reasonably incurred and documented by the Underwriters in connection with this Agreement and the offering contemplated hereby.

14. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to herein and the affiliates of each Underwriter referred to in Section 9 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Shares from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

15. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the MediaAlpha Parties, the Selling Stockholders and the Underwriters contained in this Agreement or made by or on behalf of the MediaAlpha Parties, the Selling Stockholders or the Underwriters pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Shares and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the MediaAlpha Parties, the Selling Stockholders or the Underwriters or the directors, officers, controlling persons or affiliates referred to in Section 9 hereof.

16. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term “affiliate” has the meaning set forth in Rule 405 under the Securities Act; (b) the term “business day” means any day other than a day on which banks are permitted or required to be closed in New York City; and (c) the term “subsidiary” has the meaning set forth in Rule 405 under the Securities Act.

17. Compliance with USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company and the Selling Stockholders, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

18. Miscellaneous.

(a) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Underwriters shall be given to the Representatives c/o J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358), Attention: Equity Syndicate Desk; and Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013 (fax: (646) 291-1469), Attention: General Counsel. Notices to the Company shall be given to it at MediaAlpha, Inc., 700 South Flower Street, Suite 640, Los Angeles, California 90017 (email: legal@mediaalpha.com), Attention: General Counsel. Notices to Selling Stockholders other than the Specified Selling Stockholders shall be given to (i) White Mountains Investments (Luxembourg) S.à r.l. at Alter Domus, 7A, rue Robert Stumper, Luxembourg, L-2557, Attention: Manfred Schneider and (ii) Insignia Capital Group, 1333 California Blvd, Suite 520, Walnut Creek, CA 94596, Attention: Tony Broglio. Notices to the Specified Selling Stockholders shall be given to the Attorneys-in-Fact at MediaAlpha, Inc., 700 South Flower Street, Suite 640, Los Angeles, California 90017 (email: legal@mediaalpha.com), Attention: General Counsel.

(b) *Governing Law.* This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(c) *Submission to Jurisdiction*. Each MediaAlpha Party and the Selling Stockholders hereby submit to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each MediaAlpha Party and the Selling Stockholders waive any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. Each MediaAlpha Party and the Selling Stockholders agree that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon each MediaAlpha Party and the Selling Stockholders, as applicable, and may be enforced in any court to the jurisdiction of which each MediaAlpha Party and the Selling Stockholders, as applicable, is subject by a suit upon such judgment.

(f) *Waiver of Jury Trial.* Each of the parties hereto hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement.

(g) *Recognition of the U.S. Special Resolution Regimes.*

(i) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(ii) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 18(g):

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

(h) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(i) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(j) *Headings.* The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

MediaAlpha Parties:

MediaAlpha, Inc.

By: ______________________________
Name:
Title:

Guilford Holdings, Inc.

By: ______________________________
Name:
Title:

QL Holdings LLC

By: ______________________________
Name:
Title:

[Signature Page to Underwriting Agreement]

Selling Stockholders:

White Mountains Investments (Luxembourg) S.à r.l.
Société à responsabilité limitée
Registered office: 1, rue Hildegard von Bingen,
L-1282 Luxembourg
R.C.S. Luxembourg: B 167.137

By: ______________________________
Name:
Title:

Insignia QL Holdings, LLC

By: ______________________________
Name:
Title:

Insignia A QL Holdings, LLC

By: ______________________________
Name:
Title:

THE SPECIFIED SELLING STOCKHOLDERS NAMED IN SCHEDULE 2 HERETO, ACTING SEVERALLY

By: ______________________________
Name:
Title: Attorney-in-Fact acting on behalf of each of the Specified Selling Stockholders

[Signature Page to Underwriting Agreement]

Accepted: As of the date first written above

J.P. MORGAN SECURITIES LLC
CITIGROUP GLOBAL MARKETS INC.

For themselves and on behalf of the
several Underwriters listed
in Schedule 1 hereto.

J.P. MORGAN SECURITIES LLC

By: ____________________________
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.

By: ____________________________
Name:
Title:

[Signature Page to Underwriting Agreement]

Underwriter	Number of Underwritten Shares	Number of Option Shares
J.P. Morgan Securities LLC	[•]	[•]
Citigroup Global Markets Inc.	[•]	[•]
[•]	[•]	[•]
Total	[•]	[•]

Selling Stockholder	Number of Underwritten Shares	Number of Option Shares
White Mountains Investments (Luxembourg) S.à r.l.	[•]	[•]
Insignia QL Holdings, LLC	[•]	[•]
Insignia A QL Holdings, LLC	[•]	[•]
Keith Cramer*	[•]	[•]
Jeffrey Sweetser*	[•]	[•]
QuoteLab Holdings Inc.*	[•]	[•]
OBF Investments LLC*	[•]	[•]
Robert Perine*	[•]	[•]
Lance Martinez*	[•]	[•]
Serge Topjian*	[•]	[•]
Tigran Sinanyan*	[•]	[•]
Brian Mikalis*	[•]	[•]
Wang Family Investments LLC*	[•]	[•]
O.N.E. Holdings LLC*	[•]	[•]
Kuanling Amy Yeh*	[•]	[•]
Total	[•]	[•]

* Selling Stockholders marked with an asterisk are Specified Selling Stockholders.

Directors and Officers:

- Steven Yi
- Eugene Nonko
- Ambrose Wang
- Tigran Sinanyan
- Keith Cramer
- Amy Yeh
- Brian Mikalis
- Robert Perine
- Serge Topjian
- Jeff Sweetser
- Lance Martinez
- Christopher Delehanty
- Jennifer Moyer
- Anthony Broglio
- David Lowe
- Lara Sweet
- Venmal (Raji) Arasu
- Kathy Vrabeck

Selling Shareholders:

- White Mountains Investments (Luxembourg) S.à r.l.
- Insignia QL Holdings, LLC, a Delaware limited liability company
- Insignia A QL Holdings, LLC, a Delaware limited liability company
- Keith Cramer
- Jeffrey Sweetser
- QuoteLab Holdings Inc.
- OBF Investments LLC
- Robert Perine
- Lance Martinez
- Serge Topjian
- Tigran Sinanyan
- Brian Mikalis
- Wang Family Investments LLC
- O.N.E. Holdings LLC
- Kuanling Amy Yeh

a. Pricing Disclosure Package

[None.]

b. Pricing Information Provided Orally by Underwriters

Initial public offering price per share: $[•]

Number of Underwritten Shares: [•]

Number of Option Shares: [•]

Written Testing-the-Waters Communications

[None.]

Exhibit A

Testing the waters authorization (to be delivered by the issuer to J.P. Morgan and Citigroup in email or letter form)

In reliance on Section 5(d) of the Securities Act of 1933, as amended (the "Act"), MediaAlpha, Inc. (the "Issuer") hereby authorizes J.P. Morgan Securities LLC ("J.P. Morgan") and its affiliates and their respective employees and Citigroup Global Markets Inc. ("Citigroup") and its affiliates and their respective employees, to engage on behalf of the Issuer in oral and written communications with potential investors that are "qualified institutional buyers", as defined in Rule 144A under the Act, or institutions that are "accredited investors", within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Act, to determine whether such investors might have an interest in the Issuer's contemplated initial public offering ("Testing-the-Waters Communications"). A "Written Testing-the Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act. Each of J.P. Morgan and Citigroup, individually and not jointly, agrees that it shall not distribute any Written Testing-the-Waters Communication that has not been approved by the Issuer.

The Issuer represents that it is an "emerging growth company" as defined in Section 2(a)(19) of the Act ("Emerging Growth Company") and agrees to promptly notify J.P. Morgan and Citigroup in writing if the Issuer hereafter ceases to be an Emerging Growth Company while this authorization is in effect. If at any time following the distribution of any Written Testing-the-Waters Communication there occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Issuer will promptly notify J.P. Morgan and Citigroup and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

Nothing in this authorization is intended to limit or otherwise affect the ability of J.P. Morgan and its affiliates and their respective employees and Citigroup and its affiliates and their respective employees, to engage in communications in which they could otherwise lawfully engage in the absence of this authorization, including, without limitation, any written communication containing only one or more of the statements specified under Rule 134(a) under the Act. This authorization shall remain in effect until the Issuer has provided to J.P. Morgan and Citigroup a written notice revoking this authorization. All notices as described herein shall be sent by email to the attention of [*name of JPM banker*] at [*email*@jpmorgan.com] and [*name of Citi banker*] at [*email*@citi.com], with copies to Byron Rooney at byron.rooney@davispolk.com and Roshni Banker Cariello at roshni.cariello@davispolk.com.

Exhibit B

Form of Waiver of Lock-up

___, 20__

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by certain selling shareholders of MediaAlpha, Inc. (the "Company") of [•] [•] shares of Class A common stock, $0.01 par value per share (the "Common Stock"), of the Company and the lock-up letter dated [•], 2021 (the "Lock-up Letter"), executed by you in connection with such offering, and your request for a [waiver] [release] dated __, 20__, with respect to __ shares of Common Stock (the "Shares").

J.P. Morgan Securities LLC and Citigroup Global Markets Inc. hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective __, 2021; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

Yours very truly,

J.P. MORGAN SECURITIES LLC

By:
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.

By:
Name:
Title:

cc: Company

Exhibit C

Form of Press Release

MediaAlpha, Inc.
[•], 2021

MediaAlpha, Inc. (“Company”) announced today that J.P. Morgan Securities LLC and Citigroup Global Markets Inc., the lead book-running managers in the Company’s recent public sale of shares of common stock, are [waiving] [releasing] a lock-up restriction with respect to shares of the Company’s common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on _____________________, 2021, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Form of Lock-Up Agreement

[•], 2021

J.P. MORGAN SECURITIES LLC
CITIGROUP GLOBAL MARKETS INC.
As Representatives of
the several Underwriters listed in
Schedule 1 to the Underwriting
Agreement referred to below

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, NY 10013

Re: MediaAlpha, Inc. – Initial Public Offering

Ladies and Gentlemen:

The undersigned understands that you, as Representatives of the several Underwriters, propose to enter into an underwriting agreement (the "Underwriting Agreement") with MediaAlpha, Inc., a Delaware corporation (the "Company") and the Selling Stockholders listed on Schedule 2 to the Underwriting Agreement, providing for the public offering (the "Public Offering") by the several Underwriters named in Schedule 1 to the Underwriting Agreement (the "Underwriters"), of Class A common stock of the Company (the "Securities"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Underwriting Agreement.

In consideration of the Underwriters' agreement to purchase and make the Public Offering of the Securities, and for other good and valuable consideration receipt of which is hereby acknowledged, the undersigned hereby agrees that, without the prior written consent of J.P. Morgan Securities LLC and Citigroup Global Markets Inc. on behalf of the Underwriters, the undersigned will not, and will not cause any direct or indirect affiliate to, during the period beginning on the date of this letter agreement (this "Letter Agreement") and ending at the close of business 90 days after the date of the final prospectus relating to the Public Offering (the "Prospectus"), or the expiration of the lock-up entered into in connection with the Company's initial public offering, whichever is longer (such period, the "Restricted Period"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of shares of Class A common stock, par value $0.01 per share (the “Class A Common Stock”) or Class B common stock, par value $0.01 per share (the “Class B Common Stock” and, together with the Class A Common Stock, the “Common Stock”) or any securities convertible into or exercisable or exchangeable for Common Stock (including without limitation, Common Stock or such other securities which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and securities which may be issued upon exercise of a stock option or warrant) (collectively with the Common Stock, the “Lock-Up Securities”), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the Lock-Up Securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Lock-Up Securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any Lock-Up Securities or (4) publicly disclose the intention to do any of the foregoing. The undersigned acknowledges and agrees that the foregoing precludes the undersigned from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (whether by the undersigned or any other person) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any Lock-Up Securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Lock-Up Securities, in cash or otherwise. The undersigned further confirms that it has furnished J.P. Morgan Securities LLC and Citigroup Global Markets Inc. with the details of any transaction the undersigned, or any of its affiliates, is a party to as of the date hereof, which transaction would have been restricted by this Letter Agreement if it had been entered into by the undersigned during the Restricted Period.

Notwithstanding the foregoing, the undersigned may:

(a) transfer the undersigned’s Lock-Up Securities:

(i) as a bona fide gift or gifts, or for bona fide estate planning purposes,

(ii) by will or intestacy,

(iii) to any immediate family of the undersigned or any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, or if the undersigned is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust (for purposes of this Letter Agreement, “immediate family” shall mean any relationship by blood, current or former marriage, domestic partnership or adoption, not more remote than first cousin),

(iv) to a partnership, limited liability company or other entity of which the undersigned and the immediate family of the undersigned are the legal and beneficial owner of all of the outstanding equity securities or similar interests,

(v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv) above,

(vi) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the undersigned or affiliates of the undersigned (including, for the avoidance of doubt, where the undersigned is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (B) as part of a distribution to members, partners or shareholders of the undersigned,

(vii) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement,

(viii) to the Company from an employee of the Company upon death, disability or termination of employment, in each case, of such employee,

(ix) as part of a sale of the undersigned's Lock-Up Securities acquired in open market transactions after the closing date for the Public Offering,

(x) to the Company in connection with the vesting, settlement, or exercise of restricted stock, restricted stock units, options, warrants or other rights to purchase shares of Common Stock (including, in each case, by way of "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted stock, restricted stock units, options, warrants or rights, provided that any such shares of Common Stock received upon such exercise, vesting or settlement shall be subject to the terms of this Letter Agreement, and provided further that any such restricted stock units, options, warrants or rights are held by the undersigned pursuant to an agreement or equity awards granted under a stock incentive plan or other equity award plan, each such agreement or plan which is described in the Registration Statement, the Pricing Disclosure Package and the Prospectus,

(xi) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors of the Company and made to all holders of the Company's capital stock involving a Change of Control (as defined below) of the Company (for purposes hereof, "Change of Control" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transfer, such person or group of affiliated persons would hold at least a majority of the outstanding voting securities of the Company (or the surviving entity)); provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the undersigned's Lock-Up Securities shall remain subject to the provisions of this Letter Agreement,

(xii) as required by applicable law or pursuant to an order of a court or regulatory agency of competent jurisdiction,

(xiii) by pledging, hypothecating or otherwise granting a security interest in the Lock-Up Securities to one or more lending institutions as collateral or security for any *bona fide* loan, advance or extension of credit and transferring upon foreclosure upon such Lock-Up Securities (including subsequently transferring such Lock-Up Securities to such lender or collateral agent or other transferee in connection with the exercise of remedies under such loan or extension of credit), provided that the transferee or transferees agree(s) to be bound in writing by the restrictions set forth herein,

(xiv) in any exchange of Class B-1 units of QL Holdings LLC and a corresponding number of shares of the Company's Class B Common Stock into or for shares of Class A Common Stock (or securities convertible into or exercisable or exchangeable for Class A Common Stock) in a manner consistent with the provisions therefor set forth in the Prospectus; provided that, to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the undersigned or the Company regarding the exchange, such announcement or filing shall include a statement to the effect that such exchange occurred pursuant to that certain Exchange Agreement entered into in connection with the Public Offering, and no transfer of the shares of Class A Common Stock or other securities received upon exchange may be made during the Restricted Period; or

(xv) the proceeds of which are to be used to pay estimated tax liabilities in connection with the April 2021 scheduled vesting or settlement of restricted stock units; provided that any such restricted stock units subject to scheduled vesting or settlement are held or beneficially owned by the undersigned pursuant to an agreement, stock incentive plan or other equity award plan, and each such agreement or plan is described in the Registration Statement, the Pricing Disclosure Package and the Prospectus,

provided that (A) in the case of any transfer or distribution pursuant to clause (a)(i), (ii), (iii), (iv), (v), (vi) and (vii), such transfer shall not involve a disposition for value and each donee, devisee, transferee or distributee shall execute and deliver to the Representatives a lock-up letter in the form of this Letter Agreement, (B) in the case of any transfer or distribution pursuant to clause (a)(i), (ii), (iii), (iv), (v), (vi), (ix), (x) and (xv), no filing by any party (donor, donee, devisee, transferor, transferee, distributer or distributee) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or other public announcement shall be made voluntarily in connection with such transfer or distribution (other than a filing on a Form 5 made after the expiration of the Restricted Period referred to above), (C) in the case of any transfer or distribution pursuant to clause (a)(i), (iii), (iv), and (v), if the undersigned is required to file a report under the Exchange Act in connection with such transfer or distribution during the Restricted Period, the undersigned shall include a statement in such report to the effect that the transfer or distribution is not a disposition for value and relates to a bona fide gift or for bona fide estate planning purposes or a transfer or disposition to an immediate family member of the undersigned, any trust for the benefit of the undersigned or the immediate family of the undersigned, or if the undersigned is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust, an entity of which the undersigned and the immediate family of the undersigned are the legal and beneficial owner of all of the outstanding equity securities or similar interests, or a nominee or custodian of an immediately family member or such entity, as applicable, (D) in the case of any transfer or distribution pursuant to clause (a)(ii), if the undersigned is required to file a report under the Exchange Act in connection with such transfer or distribution during the Restricted Period, the undersigned shall include a statement in such report to the effect that the transfer or distribution is not a disposition for value and relates to a transfer by will or intestacy, (E) in the case of any transfer or distribution pursuant to clause (a)(vi), if the undersigned is required to file a report under the Exchange Act in connection with such transfer or distribution during the Restricted Period, the undersigned shall include a statement in such report to the effect that the transfer or distribution is not a disposition for value and relates to a transfer to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the undersigned, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the undersigned or affiliates of the undersigned or as part of a distribution to members, partners or shareholders of the undersigned, and (F) in the case of any transfer or distribution pursuant to clause (a)(vii), (viii) and (x) it shall be a condition to such transfer that no public filing, report or announcement shall be voluntarily made and if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of Common Stock in connection with such transfer or distribution shall be legally required during the Restricted Period, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer;

(b) exercise outstanding options, settle restricted stock units or other equity awards or exercise warrants pursuant to plans or agreements described in the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided that any Lock-Up Securities received upon such exercise, vesting or settlement shall be subject to the terms of this Letter Agreement;

(c) convert outstanding preferred stock, warrants to acquire preferred stock or convertible securities into shares of Common Stock or warrants to acquire shares of Common Stock; provided that any such shares of Common Stock or warrants received upon such conversion shall be subject to the terms of this Letter Agreement;

(d) establish trading plans pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Lock-Up Securities; provided that (1) such plans do not provide for the transfer of Lock-Up Securities during the Restricted Period and (2) no filing by any party under the Exchange Act or other public announcement shall be required or made voluntarily in connection with such trading plan; and

(e) sell the Securities to be sold by the undersigned pursuant to the terms of the Underwriting Agreement, including any reclassification, conversion or exchange in connection with such sale of Securities.

In furtherance of the foregoing, the Company, and any duly appointed transfer agent for the registration or transfer of the securities described herein, are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Letter Agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Letter Agreement. All authority herein conferred or agreed to be conferred and any obligations of the undersigned shall be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

The undersigned acknowledges and agrees that the Underwriters have not provided any recommendation or investment advice nor have the Underwriters solicited any action from the undersigned with respect to the Public Offering of the Securities and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate. The undersigned further acknowledges and agrees that, although the Representatives may be required or choose to provide certain Regulation Best Interest and Form CRS disclosures to you in connection with the Public Offering, the Representatives and the other Underwriters are not making a recommendation to you to participate in the Public Offering, enter into this Letter Agreement, or sell any Shares at the price determined in the Public Offering, and nothing set forth in such disclosures is intended to suggest that the Representatives or any Underwriter is making such a recommendation.

The undersigned understands that, if (i) prior to entering into the Underwriting Agreement, the Company notifies the Representatives in writing that the Company does not intend to proceed with the Public Offering, (ii) the Company files an application to withdraw the registration statement related to the Public Offering or deregisters the Shares, (iii) the Underwriting Agreement does not become effective by April 30, 2021, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Common Stock to be sold thereunder, then this Letter Agreement shall immediately terminate and the undersigned shall be released from all obligations under this Letter Agreement. The undersigned understands that the Underwriters are entering into the Underwriting Agreement and proceeding with the Public Offering in reliance upon this Letter Agreement.

This Letter Agreement and any claim, controversy or dispute arising under or related to this Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Very truly yours,

[NAME OF STOCKHOLDER]

By:
Name:
Title:

[Signature Page to Lock-Up Agreement]

Exhibit 5.1

CRAVATH, SWAINE & MOORE LLP

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825 EIGHTH AVENUE
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TELEPHONE: +1-212-474-1000
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ONE ROPEMAKER STREET
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March 16, 2021

<u>MediaAlpha, Inc.</u>
<u>Registration Statement on Form S-1</u>

Ladies and Gentlemen:

We have acted as counsel for MediaAlpha, Inc., a Delaware corporation (the "<u>Company</u>"), in connection with the preparation and filing of a registration statement on Form S-1 (the "<u>Registration Statement</u>") with the Securities and Exchange Commission (the "<u>Commission</u>") under the Securities Act of 1933, as amended (the "<u>Securities Act</u>"), for the purpose of registering, under the Securities Act, the resale of an aggregate of up to 8,050,000 shares of the Company's Class A common stock, par value $0.01 per share ("<u>Shares</u>"), including the resale of (a) currently outstanding Shares and (b) Shares to be issued upon exchange of an equivalent number of the Class B-1 units of QL Holdings LLC ("<u>LLC</u>") (together with an equivalent number of shares of the Class B common stock of the Company) (the "<u>Exchange Shares</u>"). The Shares are to be offered and sold by certain selling stockholders (the "<u>Selling Stockholders</u>") of the Company.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of this opinion, including, without limitation: (a) the Amended and Restated Certificate of Incorporation of the Company; (b) the Amended and Restated By-laws of the Company; (c) certain resolutions adopted by the Board of Directors of the Company; (d) the Fourth Amended and Restated Limited Liability Company Agreement of LLC (the "<u>LLC Agreement</u>") dated October 27, 2020, by and among the Company, LLC and the other parties named therein; and (e) the Exchange Agreement (the "<u>Exchange Agreement</u>") dated October 27, 2020, by and among the Company, LLC, and the other parties named therein.

In rendering our opinion, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies and the authenticity of the originals of such latter documents. As to all questions of fact material to this opinion that have not been independently established, we have relied upon statements or representations of officers and representatives of the Company and the Selling Stockholders without independent verification of their accuracy. We have also assumed that at or prior to the time of the issuance and delivery of any Exchange Shares, there will not have occurred any change in law, change in the Exchange Agreement, the LLC Agreement, the Amended and Restated Certificate of Incorporation of the Company or the Amended and Restated By-laws of the Company, or further action by the Company's board of directors or the managing member of LLC, in any case affecting the validity of the Exchange Shares or the issuance of the Exchange Shares.

Based on the foregoing and in reliance thereon, we are of opinion that the (a) Shares (other than the Exchange Shares) have been duly and validly authorized by the Company and are validly issued, fully paid and nonassessable and (b) the Exchange Shares have been duly and validly authorized by the Company and, when issued in exchange for Class B-1 units of LLC (together with an equivalent number of shares of the Class B common stock of the Company), will be validly issued, fully paid and nonassessable.

We are admitted to practice in the State of New York, and we express no opinion as to matters governed by any laws other than the laws of the State of New York, the General Corporation Law of the State of Delaware and the Federal laws of the United States of America.

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement. We also consent to the reference to our firm under the caption "Legal matters" in the Registration Statement. In giving this consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Cravath, Swaine & Moore LLP

MediaAlpha, Inc.
700 South Flower Street, Suite 640
Los Angeles, California 90017

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of MediaAlpha, Inc. of our report dated March 15, 2021 relating to the financial statements and financial statement schedule of MediaAlpha, Inc., which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
March 15, 2021