

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

**FORM 10-Q**

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

For the quarterly period ended March 31, 2025

OR

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

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

Commission File Number: 001-31666

**First Advantage Corporation**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
**1 Concourse Parkway NE, Suite 200**  
**Atlanta, GA**  
(Address of principal executive offices)

**84-3884690**  
(I.R.S. Employer  
Identification No.)

**30328**  
(Zip Code)

**(678) 868-4151**

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	FA	The Nasdaq Stock Market LLC

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

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

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

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

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

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

As of May 2, 2025 the registrant had 173,673,549 shares of common stock, \$0.001 par value per share, outstanding.

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**PART I—FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements (Unaudited)**

**First Advantage Corporation**  
**Condensed Consolidated Balance Sheets**  
*(Unaudited)*

*(in thousands, except share and par value amounts)*

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 171,994	\$ 168,688
Restricted cash	797	795
Accounts receivable (net of allowance for doubtful accounts of \$5,074 and \$3,832 at March 31, 2025 and December 31, 2024, respectively)	266,052	266,800
Prepaid expenses and other current assets	29,032	31,041
Income tax receivable	3,928	8,669
Total current assets	471,803	475,993
Property and equipment, net	291,764	307,539
Goodwill	2,128,018	2,124,528
Intangible assets, net	955,357	987,948
Deferred tax asset, net	5,169	5,682
Other assets	19,580	21,203
<b>TOTAL ASSETS</b>	<u>\$ 3,871,691</u>	<u>\$ 3,922,893</u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 116,037	\$ 120,872
Accrued compensation	45,047	52,805
Accrued liabilities	45,055	44,700
Current portion of long-term debt	21,850	21,850
Current portion of operating lease liability	3,861	4,245
Income tax payable	4,374	1,942
Deferred revenues	4,774	4,274
Total current liabilities	240,998	250,688
Long-term debt (net of deferred financing costs of \$40,253 and \$41,861 at March 31, 2025 and December 31, 2024, respectively)	2,117,434	2,121,289
Deferred tax liability, net	214,649	222,738
Operating lease liability, less current portion	7,918	9,149
Other liabilities	11,937	11,990
Total liabilities	2,592,936	2,615,854
<b>COMMITMENTS AND CONTINGENCIES (Note 12)</b>		
<b>EQUITY</b>		
Common stock - \$0.001 par value; 1,000,000,000 shares authorized, 173,641,193 and 173,171,145 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	174	173
Additional paid-in-capital	1,511,463	1,504,007
Accumulated deficit	(201,002)	(159,808)
Accumulated other comprehensive loss	(31,880)	(37,333)
Total equity	1,278,755	1,307,039
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 3,871,691</u>	<u>\$ 3,922,893</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**First Advantage Corporation**  
**Condensed Consolidated Statements of Operations and Comprehensive Loss**  
*(Unaudited)*

<i>(in thousands, except share and per share amounts)</i>	Three Months Ended March 31,	
	2025	2024
<b>REVENUES</b>	\$ 354,588	\$ 169,416
<b>OPERATING EXPENSES:</b>		
Cost of services (exclusive of depreciation and amortization below)	192,565	87,192
Product and technology expense	27,155	12,466
Selling, general, and administrative expense	65,585	40,662
Depreciation and amortization	61,666	29,822
Total operating expenses	346,971	170,142
<b>INCOME (LOSS) FROM OPERATIONS</b>	7,617	(726)
<b>OTHER EXPENSE, NET:</b>		
Interest expense, net	46,580	3,570
Total other expense, net	46,580	3,570
<b>LOSS BEFORE PROVISION FOR INCOME TAXES</b>	(38,963)	(4,296)
Provision (benefit) for income taxes	2,231	(1,388)
<b>NET LOSS</b>	\$ (41,194)	\$ (2,908)
Foreign currency translation income (loss)	5,453	(1,773)
<b>COMPREHENSIVE LOSS</b>	\$ (35,741)	\$ (4,681)
<b>NET LOSS</b>	\$ (41,194)	\$ (2,908)
Basic and diluted net loss per share	\$ (0.24)	\$ (0.02)
Weighted average number of shares outstanding - basic and diluted	172,756,497	143,591,713

The accompanying notes are an integral part of these condensed consolidated financial statements.

**First Advantage Corporation**  
**Condensed Consolidated Statements of Cash Flows**  
*(Unaudited)*

<i>(in thousands)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (41,194)	\$ (2,908)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	61,666	29,822
Amortization of deferred financing costs	1,608	453
Bad debt recovery	(712)	(112)
Deferred taxes	(7,553)	(7,808)
Share-based compensation	7,967	4,751
Loss on disposal of fixed assets and impairment of ROU assets	132	0
Change in fair value of interest rate swaps	3,936	(7,045)
Changes in operating assets and liabilities:		
Accounts receivable	1,927	13,736
Prepaid expenses and other assets	(993)	(3,345)
Accounts payable	(6,038)	468
Accrued compensation and accrued liabilities	(8,615)	6,608
Deferred revenues	482	185
Operating lease liabilities	(91)	(328)
Other liabilities	(366)	(11)
Income taxes receivable and payable, net	7,315	3,863
Net cash provided by operating activities	<u>19,471</u>	<u>38,329</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capitalized software development costs	(10,628)	(6,135)
Purchases of property and equipment	(485)	(321)
Other investing activities	37	(575)
Net cash used in investing activities	<u>(11,076)</u>	<u>(7,031)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of Amended First Lien Credit Facility	(5,463)	—
Proceeds from issuance of common stock under share-based compensation plans	1,688	976
Net settlement of share-based compensation plan awards	(2,204)	(41)
Payments on deferred purchase agreements	—	(234)
Cash dividends paid	(11)	(12)
Payments on finance lease obligations	(3)	—
Net cash (used in) provided by financing activities	<u>(5,993)</u>	<u>689</u>
Effect of exchange rate on cash, cash equivalents, and restricted cash	906	(328)
Increase in cash, cash equivalents, and restricted cash	3,308	31,659
Cash, cash equivalents, and restricted cash at beginning of period	169,483	213,912
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 172,791</u>	<u>\$ 245,571</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid for income taxes, net of refunds received	\$ 3,003	\$ 2,510
Cash paid for interest	\$ 41,881	\$ 11,954
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Property and equipment acquired on account	\$ 973	\$ 585
Non-cash property and equipment additions	\$ —	\$ 540

The accompanying notes are an integral part of these condensed consolidated financial statements.

**First Advantage Corporation**  
**Condensed Consolidated Statements of Changes in Stockholders' Equity**  
*(Unaudited)*

<i>(in thousands)</i>	Common Stock	Additional Paid-In-Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
<b>BALANCE – December 31, 2024</b>	\$ 173	\$ 1,504,007	\$ (159,808)	\$ (37,333)	\$ 1,307,039
Share-based compensation	—	7,967	—	—	7,967
Forfeitures of previously declared cash dividends	—	5	—	—	5
Proceeds from issuance of common stock under share-based compensation plans	2	1,688	—	—	1,690
Common stock withheld for tax obligations on restricted stock unit and option settlement	(1)	(2,204)	—	—	(2,205)
Foreign currency translation	—	—	—	5,453	5,453
Net loss	—	—	(41,194)	—	(41,194)
<b>BALANCE – March 31, 2025</b>	<u>\$ 174</u>	<u>\$ 1,511,463</u>	<u>\$ (201,002)</u>	<u>\$ (31,880)</u>	<u>\$ 1,278,755</u>

<i>(in thousands)</i>	Common Stock	Additional Paid-In-Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
<b>BALANCE – December 31, 2023</b>	\$ 145	\$ 977,290	\$ (49,545)	\$ (21,157)	\$ 906,733
Share-based compensation	—	4,751	—	—	4,751
Forfeitures of previously declared cash dividends	—	6	—	—	6
Proceeds from issuance of common stock under share-based compensation plans	0	976	—	—	976
Common stock withheld for tax obligations on restricted stock unit and option settlement	(0)	(41)	—	—	(41)
Foreign currency translation	—	—	—	(1,773)	(1,773)
Net loss	—	—	(2,908)	—	(2,908)
<b>BALANCE – March 31, 2024</b>	<u>\$ 145</u>	<u>\$ 982,982</u>	<u>\$ (52,453)</u>	<u>\$ (22,930)</u>	<u>\$ 907,744</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**First Advantage Corporation**  
**Notes to Unaudited Condensed Consolidated Financial Statements**

**Note 1. Organization, Nature of Business, and Basis of Presentation**

First Advantage Corporation, a Delaware corporation, was formed on November 15, 2019. Hereafter, First Advantage Corporation and its subsidiaries will collectively be referred to as the “Company.”

The Company derives its revenues from a variety of background check and compliance services performed across all phases of the workforce lifecycle from pre-onboarding services to post-onboarding and ongoing monitoring services, covering employees, contractors, contingent workers, tenants, and drivers. We generally classify our service offerings into three categories: pre-onboarding, post-onboarding, and adjacent products.

Pre-onboarding services are comprised of an extensive array of products and solutions that customers typically utilize to enhance their evaluation process and support compliance from the time a job or other application is submitted to a successful candidate’s onboarding date. This includes searches such as criminal background checks, drug / health screenings, extended workforce screening, biometrics and identity checks, education / workforce verification, driver records and compliance, healthcare credentials, and executive screening.

Post-onboarding services are comprised of continuous monitoring and re-screening solutions, which are important tools to help our customers keep their end customers, workforces, and other stakeholders safer, more productive, and more compliant. Our post-monitoring solutions include criminal records, healthcare sanctions, motor vehicle records, social media, and global sanctions screening continuously or at regular intervals selected by our customers.

Adjacent products include products that complement our pre-onboarding and post-onboarding products and solutions. This includes fleet and vehicle compliance, hiring tax credits and incentives, resident and tenant screening, employment eligibility, and investigative research.

**Basis of Presentation** — The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated. The Company includes the results of operations of acquired companies prospectively from the date of acquisition.

The condensed consolidated financial statements included herein are unaudited, but in the opinion of management, such financial statements include all adjustments, consisting of normal recurring adjustments, necessary to summarize fairly the Company’s financial position, results of operations, and cash flows for the interim periods presented. The interim results reported in these condensed consolidated financial statements should not be taken as indicative of results that may be expected for future interim periods or the full year. For a more comprehensive understanding of the Company and its condensed consolidated financial statements, these interim financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

The Company has historically experienced seasonality with respect to certain customer industries as a result of fluctuations in hiring volumes and other economic activities. Generally, the Company’s highest revenues have historically occurred between October and November of each year, driven by many customers’ pre-holiday season hiring initiatives. Certain customers across various industries also historically increase their hiring throughout the second quarter of the year as winter concludes, and the school year ends, giving rise to student and graduate hiring, and increased commercial activity tied to outdoor activities.

**Use of Estimates** — The preparation of the condensed consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Changes in these estimates and assumptions may have a material impact on the condensed consolidated financial statements and accompanying notes.

Significant estimates, judgments, and assumptions, include, but are not limited to, the determination of the fair value and useful lives of assets acquired and liabilities assumed through business combinations, goodwill impairment, revenue recognition, capitalized software, assumptions used for purposes of determining share-based compensation, and income tax liabilities and assets. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

## Note 2. Summary of Significant Accounting Policies

**Fair Value of Financial Instruments** — Certain financial assets and liabilities are reported at fair value in the accompanying consolidated balance sheets in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurement*. ASC 820 establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation techniques required by ASC 820 are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect internal market assumptions. These two types of inputs create the following fair value hierarchy:

*Level 1* — Quoted prices for identical instruments in active markets.

*Level 2* — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

*Level 3* — Significant inputs to the valuation model are unobservable (supported by little or no market activities). These inputs may be used with internally developed methodologies that reflect the Company’s best estimate of fair value from a market participant.

The carrying amounts of cash and cash equivalents, receivables, and accounts payable approximate fair value due to the short-term maturities of these financial instruments (Level 1). The fair values and carrying values of the Company’s debt are disclosed in Note 6, “Debt”.

The following table presents information about the Company’s financial assets and liabilities that are measured at fair value on a recurring basis and their assigned levels within the valuation hierarchy as of March 31, 2025 (in thousands):

	Level 1	Level 2	Level 3
<b>Assets</b>			
Interest rate swaps	\$ —	\$ 97	\$ —
<b>Liabilities</b>			
Interest rate swaps	\$ —	\$ 2,428	\$ —

### *Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis*

Other intangible assets are subject to nonrecurring fair value measurement as the result of business acquisitions. The fair values of these assets were estimated using the present value of expected future cash flows through unobservable inputs (Level 3).

**Business Combinations**— The Company records business combinations using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed are recorded at their acquisition-date fair values. The excess of the purchase price over the estimated fair value is recorded as goodwill. Changes in the estimated fair values of net assets recorded for acquisitions prior to the finalization of more detailed analysis, but not to exceed one year from the date of acquisition, will adjust the amount of the purchase price allocable to goodwill. Measurement period adjustments are reflected in the period in which they occur.

In valuing trade names, customer lists, software developed for internal use, and other intangible assets, the Company utilizes variations of the income approach, which relies on historical financial and qualitative information, as well as assumptions and estimates for projected financial information. The Company considers the income approach the most appropriate valuation technique because the inherent value of these assets is their ability to generate current and future income. Projected financial information is subject to risk if estimates are incorrect. The most significant estimate relates to projected revenues and profitability. If the projected revenues and profitability used in the valuation calculations are not met, then the asset could be impaired.

**Concentrations of Credit Risk** — Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Cash is deposited with major financial institutions and, at times, such balances with each financial institution may be in excess of insured limits. The Company has not experienced, and does not anticipate, any losses with respect to its cash deposits. Accounts receivable represent credit granted to customers for services provided. The Company performs ongoing credit evaluations of its customers’ financial condition and generally does not require collateral on accounts receivable. The Company had one customer which represented approximately 11% of its consolidated revenues during the three months ended March 31, 2024, in its First Advantage Americas segment. The Company did not have any customers which represented 10% or more of its consolidated revenues in any segment during the three months ended March 31, 2025. Additionally, the Company did not have any customers which represented 10% or more of its consolidated accounts receivable, net for any period presented.

The Company has entered into interest rate derivative agreements with a counterparty bank to reduce its exposure to interest rate volatility. The Company has determined the counterparty bank to be a high credit quality institution. The Company does not enter into financial instruments for trading or speculative purposes.

**Foreign Currency** — The functional currency of all of the Company’s foreign subsidiaries is the applicable local currency. The translation of the applicable foreign currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenues and expense accounts using average exchange rates prevailing during the fiscal year. Adjustments resulting from the translation of foreign currency financial statements are accumulated net of tax in a separate component of equity. Currency translation income (loss) included in accumulated other comprehensive loss was approximately \$5.5 million and \$(1.8) million for the three months ended March 31, 2025 and 2024, respectively.

Gains or losses resulting from foreign currency transactions are included in the accompanying condensed consolidated statements of operations and comprehensive loss, except for those relating to intercompany transactions of a long-term investment nature, which are captured in a separate component of equity as accumulated other comprehensive loss. Currency transaction (loss) income included in the accompanying condensed consolidated statements of operations and comprehensive loss was approximately \$(0.1) million and \$0.0 million for the three months ended March 31, 2025 and 2024, respectively.

**Recent Accounting Pronouncements** — There were no accounting pronouncements issued during the three months ended March 31, 2025 that are expected to have a material impact on the condensed consolidated financial statements.

### Note 3. Acquisitions

#### 2024 Acquisition

On October 31, 2024, the Company completed the acquisition of Sterling Check Corp. (“Sterling” and such acquisition, the “Sterling Acquisition”), a leading provider of background screening and identity verification services. The cash-and-stock transaction valued Sterling at approximately \$2.2 billion and was financed through cash on hand and the issuance of new debt and common stock as described in Note 6, “Debt”. The acquisition extended First Advantage’s high-quality and cost-effective background screening, identity, and verification technology solutions for the benefit of both companies’ customers across industry verticals and geographies.

Sterling was determined to constitute a business and the Company was deemed to be the acquirer under ASC 805. The Company recorded a preliminary allocation of the purchase price to assets acquired and liabilities assumed based on their estimated fair values as of October 31, 2024. During the three months ended March 31, 2025, the Company recorded a \$0.2 million adjustment related to the valuation of certain tax liabilities.

The allocation of the purchase price is based on the fair value of assets acquired and liabilities assumed as of the acquisition date. The following table summarizes the consideration paid and the amounts recognized for the assets acquired and liabilities assumed (in thousands):

<b>Consideration</b>	
Cash consideration	\$ 1,152,163
Plus: fair value of assumed Sterling equity awards to receive cash attributable to pre-combination service	15,905
Plus: repayment of Sterling's outstanding debt	535,046
Plus: fair value of First Advantage common stock issued	490,098
Plus: fair value of assumed Sterling equity awards to receive equity awards attributable to pre-combination service	4,487
<b>Total fair value of consideration transferred</b>	<b>\$ 2,197,699</b>
Current assets	\$ 227,469
Property and equipment, including software developed for internal use	273,370
Intangible assets	717,000
Deferred tax asset	58,100
Other assets	12,516
Current liabilities	(150,026)
Deferred tax liability	(238,077)
Other liabilities	(16,226)
<b>Total identifiable net assets</b>	<b>\$ 884,126</b>
<b>Goodwill</b>	<b>\$ 1,313,573</b>

The fair values and useful lives of the acquired intangible assets by category were as follows (in thousands):

	Balance Sheet Location	Estimated Fair Values	Useful Life (in years)
Customer lists	Intangible assets, net	\$ 655,000	14 years
Software developed for internal use	Property and equipment, net	259,000	5 years
Trade names	Intangible assets, net	62,000	5 years

Goodwill recognized is not expected to be deductible for tax purposes. Results of operations have been included in the condensed consolidated financial statements of the Company's Sterling segment since the date of acquisition.

As of the date these condensed consolidated financial statements were issued, the purchase accounting related to this acquisition was incomplete as the valuation of deferred taxes and certain customary transaction adjustments were not yet finalized. The Company has reflected the provisional amounts in these consolidated financial statements. As such, the above balances may be adjusted in a future period as the valuation is finalized and these adjustments may be material to the consolidated financial statements.

#### **Pro Forma Results**

The following summary, prepared on a pro forma basis pursuant to ASC 805, presents the Company's consolidated results of operations for the three months ended March 31, 2024, as if the Sterling Acquisition had been completed on January 1, 2023. The pro forma results below include the impact of certain adjustments related to the amortization of intangible assets, transaction-related costs incurred as of the acquisition date, and interest expense on related borrowings, and in each case, the related income tax effects, as well as certain other post-acquisition adjustments attributable to the Sterling Acquisition. This pro forma presentation does not include any impact of transaction synergies. The pro forma results are not necessarily indicative of the results of operations that actually would have been achieved had the Sterling Acquisition been consummated as of January 1, 2023.

<i>(in thousands, unaudited)</i>	Three Months Ended March 31, 2024	
Revenue	\$	355,136
Net loss	\$	(33,158)

#### **Note 4. Property and Equipment, net**

Property and equipment, net as of March 31, 2025 and December 31, 2024 consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Furniture and equipment	\$ 32,316	\$ 32,054
Capitalized software for internal use, acquired by business combination	490,407	490,346
Capitalized software for internal use, developed internally or otherwise purchased	132,968	125,973
Leasehold improvements	3,022	3,007
Total property and equipment	658,713	651,380
Less: accumulated depreciation and amortization	(366,949)	(343,841)
Property and equipment, net	\$ 291,764	\$ 307,539

Depreciation and amortization expense of property and equipment was approximately \$27.6 million and \$15.5 million for the three months ended March 31, 2025 and 2024, respectively.

## Note 5. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the three months ended March 31, 2025 by reportable segment were as follows (in thousands):

	First Advantage Americas	First Advantage International	Sterling	Total
Balance – December 31, 2024	\$ 703,294	\$ 114,341	\$ 1,306,893	\$ 2,124,528
Adjustments to initial purchase price allocations	—	—	208	208
Foreign currency translation	2	1,032	2,248	3,282
Balance – March 31, 2025	<u>\$ 703,296</u>	<u>\$ 115,373</u>	<u>\$ 1,309,349</u>	<u>\$ 2,128,018</u>

The following summarizes the gross carrying value and accumulated amortization for the Company's trade names, customer lists, and other intangible assets as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025			Useful Life (in years)
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	
Trade names	\$ 157,937	\$ (44,173)	\$ 113,764	5-20 years
Customer lists	1,172,012	(332,074)	839,938	13-14 years
Other intangible assets	2,400	(745)	1,655	5 years
Total	<u>\$ 1,332,349</u>	<u>\$ (376,992)</u>	<u>\$ 955,357</u>	

	December 31, 2024			Useful Life (in years)
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	
Trade names	\$ 157,740	\$ (39,265)	\$ 118,475	5-20 years
Customer lists	1,170,327	(302,632)	867,695	13-14 years
Other intangible assets	2,400	(622)	1,778	5 years
Total	<u>\$ 1,330,467</u>	<u>\$ (342,519)</u>	<u>\$ 987,948</u>	

Amortization expense of trade names, customer lists, and other intangible assets was approximately \$34.1 million and \$14.3 million for the three months ended March 31, 2025 and 2024, respectively. Trade names and customer lists are amortized on an accelerated basis based upon their estimated useful life. Other intangible assets are amortized on a straight-line or accelerated basis over their expected useful life of five years.

**Note 6. Debt**

The fair value of the Company's debt obligation approximated its book value as of March 31, 2025 and December 31, 2024 and consisted of the following (in thousands):

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Amended First Lien Credit Facility	\$ 2,179,537	\$ 2,185,000
Less: Current portion of long-term debt	\$ (21,850)	\$ (21,850)
Total long-term debt	\$ 2,157,687	\$ 2,163,150
Less: Deferred financing costs	(40,253)	(41,861)
Long-term debt, net	<u>\$ 2,117,434</u>	<u>\$ 2,121,289</u>

First Advantage Holdings, LLC, an indirect wholly-owned subsidiary of the Company, is a party to a First Lien Credit Agreement (as amended, "2024 First Lien Credit Agreement"), which provides for a term loan of \$2.185 billion due October 31, 2031, carrying an interest rate of 3.00% to 3.25%, based on the first lien ratio, plus the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York ("SOFR") and an applicable margin ("Amended First Lien Credit Facility"), and a \$250.0 million revolving credit facility due October 31, 2029 ("Amended Revolver").

The Amended First Lien Credit Facility amortizes in equal quarterly installments in aggregate annual amounts equal to 1.00% of the principal amount. The Amended Revolver has no amortization.

The 2024 First Lien Credit Agreement is collateralized by substantially all assets and capital stock owned by direct and indirect domestic subsidiaries and are governed by certain restrictive covenants including limitations on indebtedness, liens, and other corporate actions such as investments and acquisitions. In the event the Company's outstanding indebtedness under the Amended Revolver exceeds 40.0% of the aggregate principal amount of the revolving commitments then in effect, it is required to maintain a consolidated first lien leverage ratio no greater than 7.75 to 1.00. As of March 31, 2025, there were no outstanding borrowings under the Amended Revolver and \$2,179.5 million outstanding under the Amended First Lien Credit Facility. As the Company had no outstanding amounts under the Amended Revolver, it was not subject to the consolidated first lien leverage ratio covenant. The Company was compliant with all covenants under the agreement as of March 31, 2025.

## Note 7. Derivatives

To reduce exposure to variability in expected future cash outflows on variable rate debt attributable to the changes in one-month SOFR, the Company has historically entered into interest rate derivative instruments to economically offset a portion of this risk and may do so in the future.

As of March 31, 2025, the Company had the following outstanding derivatives that were not designated as a hedge in qualifying hedging relationships:

Product	Effective Date	Maturity Date	Notional	Rate
Interest rate swap	June 30, 2023	February 28, 2026	\$100.0 million	4.32%
Interest rate swap	December 29, 2023	December 31, 2026	\$150.0 million	3.86%
Interest rate swap	March 1, 2024	December 31, 2026	\$150.0 million	3.76%
Interest rate swap	August 31, 2024	December 31, 2026	\$160.0 million	3.72%
Interest rate swap	October 31, 2024	October 31, 2027	\$275.0 million	3.94%

Derivatives not designated as hedges are not speculative and are used to manage the Company's exposure to interest rate movements; however, the Company has not elected to apply hedge accounting for these instruments.

The following is a summary of location and fair value of the financial positions recorded related to the derivative instruments as of March 31, 2025 and December 31, 2024 (in thousands):

Derivatives not designated as hedging instruments	Balance Sheet Location	Fair Value	
		March 31, 2025	December 31, 2024
Interest rate swaps	Prepaid expenses and other current assets	\$ 97	\$ 3,110
Interest rate swaps	Accrued liabilities	\$ 2,428	\$ 247

The following is a summary of location and amount of gains and (losses) recorded related to the derivative instruments (in thousands):

Derivatives not designated as hedging instruments	Income Statement Location	Gain (Loss) Three Months Ended March 31,	
		2025	2024
Interest rate collars	Interest expense, net	\$ —	\$ 951
Interest rate swaps	Interest expense, net	\$ (3,936)	\$ 6,094

## Note 8. Income Taxes

The Company's income tax expense and balance sheet accounts reflect the results of the Company and its subsidiaries.

For the three months ended March 31, 2025, the Company estimated the annual effective tax rate based on projected income for the full year and recorded a quarterly tax provision in accordance with the annual effective tax rate and adjusted for discrete tax items in the period.

The effective income tax rate for the three months ended March 31, 2025 was (5.7)%. The Company's effective income tax rate for the three months ended March 31, 2025 was lower than the U.S. federal statutory rate of 21% primarily due to a jurisdictional mix of earnings as a result of significant acquisition related depreciation and amortization impacting U.S. net loss in the period, income taxes in the majority of the jurisdictions outside of the U.S., and U.S. state income taxes.

The effective income tax rate for the three months ended March 31, 2024 was 32.3%. The Company's effective income tax rate for the three months ended March 31, 2024 was higher than the U.S. federal statutory rate of 21% primarily due to nondeductible share-based compensation and U.S. state income taxes.

## Note 9. Revenues

Substantially all of the Company's revenues are recognized at a point in time when the orders are completed and the completed reports are reported, or otherwise made available. For revenues delivered over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenues on transactional contracts with a defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenues being recognized when the service is provided and becomes billable. Additionally, under this practical expedient, the Company is not required to estimate the transaction price.

The Company considers negotiated and anticipated incentives and estimated adjustments, including historical collections experience, when recording revenues.

The Company's contracts with customers generally include standard commercial payment terms acceptable in each region, and do not include any financing components. The Company does not have any significant obligations for refunds, warranties, or similar obligations. The Company records revenues net of sales taxes.

Contract balances are generated when the revenues recognized in a given period varies from billing. A contract asset is created when the Company performs a service for a customer and recognizes more revenues than what has been billed. The contract asset balance was \$6.8 million and \$5.9 million as of March 31, 2025 and December 31, 2024, respectively, and is included in accounts receivable, net in the accompanying condensed consolidated balance sheets.

A contract liability is created when the Company transfers a good or service to a customer and recognizes less than what has been billed. The Company recognizes these contract liabilities as deferred revenues when the Company has an obligation to perform services for a customer in the future and has already received consideration from the customer. The contract liability balance was \$4.8 million and \$4.3 million as of March 31, 2025 and December 31, 2024, respectively, and is included in deferred revenues in the accompanying condensed consolidated balance sheets. An immaterial amount of revenues was recognized in the current period related to the beginning balance of deferred revenues.

For additional disclosures about the disaggregation of our revenues, see Note 15, "Reportable Segments."

## Note 10. Share-based Compensation

Share-based compensation expense is recognized in cost of services, product and technology expense, and selling, general, and administrative expense, in the accompanying condensed consolidated statements of operations and comprehensive loss as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Share-based compensation expense		
Cost of services	\$ 532	\$ 357
Product and technology expense	803	654
Selling, general, and administrative expense	6,632	3,740
Total share-based compensation expense	<u>\$ 7,967</u>	<u>\$ 4,751</u>

Prior to the Company's Initial Public Offering ("IPO"), all share-based awards were issued by Fastball Holdco, L.P., the Company's previous parent company, under individual grant agreements and the partnership agreement of such parent company (collectively, the "2020 Equity Plan"). In connection with the IPO, the Company adopted the 2021 Omnibus Incentive Plan (as amended by the First Amendment, dated as of May 10, 2023, the "2021 Equity Plan").

In October 2024, as part of the Sterling Acquisition, unvested Sterling restricted stock, restricted stock units, and net option shares underlying in-the-money stock option awards were converted to an unvested cash award, an unvested First Advantage restricted stock award, or a First Advantage restricted stock unit ("RSU") at the holder's election. Converted awards are subject to the same terms and conditions (including vesting) as applied to the replaced Sterling equity award. All out-of-the-money Sterling stock options, whether vested or unvested, were canceled for no consideration.

As of March 31, 2025, the Company had approximately \$35.9 million of unrecognized pre-tax non-cash compensation expense, comprised of approximately \$7.9 million related to restricted stock, \$13.6 million related to RSUs, and approximately \$14.4 million related to stock options, which the Company expects to recognize over a weighted average period of 1.1 years.

## 2020 Equity Plan

Awards issued under the 2020 Equity Plan consist of options and profit interests. No awards have been issued under the plan since the Company's IPO.

A summary of the stock option activity for the three months ended March 31, 2025 is as follows:

		<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
December 31, 2024	Grants outstanding	1,602,966	\$ 5.15		
	Grants exercised	(145,483)	\$ 5.11		
	Grants cancelled/forfeited	(29,074)	\$ 5.19		
March 31, 2025	Grants outstanding	<u>1,428,409</u>	\$ 5.15	4.8 Years	\$12.8 million
March 31, 2025	Grants vested	<u>1,009,021</u>	\$ 5.13	4.7 Years	\$9.0 million
March 31, 2025	Grants unvested	419,388	\$ 5.20		

## 2021 Equity Plan

The 2021 Equity Plan is intended to provide a means through which to attract and retain key personnel and to provide a means whereby our directors, officers, employees, consultants, and advisors can acquire and maintain an equity interest in us, or be paid incentive compensation, including incentive compensation measured by reference to the value of our common stock, thereby strengthening their commitment to our welfare and aligning their interests with those of our stockholders. The 2021 Equity Plan provides for the grant of awards of stock options, stock appreciation rights, restricted shares, restricted stock units, and other equity-based or cash-based awards as determined by the Company's Compensation Committee. The 2021 Equity Plan initially had a total of 17,525,000 shares of common stock reserved. The number of reserved shares automatically increases on the first day of each calendar year commencing on January 1, 2022 and ending on January 1, 2030, in an amount equal to the lesser of (x) 2.5% of the total number of shares of common stock outstanding on the last day of the immediately preceding calendar year and (y) a number of shares as determined by the Board of Directors. As of March 31, 2025, 22,713,947 shares were available for issuance under the 2021 Equity Plan.

### Stock Options

A summary of the stock option activity for the three months ended March 31, 2025 is as follows:

		<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
December 31, 2024	Grants outstanding	4,517,897	\$ 14.38		
	Grants issued	553,266	\$ 14.23		
	Grants exercised	(6,487)	\$ 13.93		
	Grants cancelled/forfeited	(18,824)	\$ 13.64		
March 31, 2025	Grants outstanding	<u>5,045,852</u>	\$ 14.37	7.4 Years	\$2.5 million
March 31, 2025	Grants vested	<u>2,602,560</u>	\$ 13.71	6.5 Years	\$1.6 million
March 31, 2025	Grants unvested	2,443,292	\$ 15.06		

The fair value for stock options granted for the three months ended March 31, 2025 was estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	<u>Options</u>
Expected stock price volatility	35.47%
Risk-free interest rate	4.02%
Expected term (in years)	6.25
Fair-value of the underlying unit	\$ 14.23

### Restricted Stock Units

A summary of the RSU activity for the three months ended March 31, 2025 is as follows:

		Shares	Weighted Average Grant Date Fair Value
December 31, 2024	Nonvested RSUs	775,651	\$ 16.61
	Granted	272,382	\$ 14.23
	Vested	(46,900)	\$ 15.68
	Forfeited	(9,940)	\$ 14.72
March 31, 2025	Nonvested RSUs	991,193	\$ 16.02

### Restricted Stock

A summary of the restricted stock activity for the three months ended March 31, 2025 is as follows:

		Shares	Weighted Average Grant Date Fair Value
December 31, 2024	Nonvested restricted stock	1,177,743	\$ 10.01
	Vested	(729,520)	\$ 11.42
March 31, 2025	Nonvested restricted stock	448,223	\$ 11.74

### Sterling Acquisition Awards

#### Restricted Stock Units

The following table summarizes the RSUs issued by the Company as part of the Sterling Acquisition. These include Sterling restricted stock units and net option shares underlying in-the-money stock option awards that were unvested at close and converted to unvested First Advantage RSUs. The RSUs granted as a result of the conversion retain the vesting attributes (including the original service period vesting start dates) of the original award.

A summary of the RSU activity for the three months ended March 31, 2025 is as follows:

		Shares	Weighted Average Grant Date Fair Value
December 31, 2024	Nonvested RSUs	89,673	\$ 18.70
	Vested	(69,431)	\$ 18.70
	Forfeited	(1,789)	\$ 18.70
March 31, 2025	Nonvested RSUs	18,453	\$ 18.70

#### Restricted Stock

The following table summarizes the restricted stock issued by the Company as part of the Sterling Acquisition. These include Sterling restricted stock and net option shares underlying in-the-money stock option awards that were unvested at close and converted to unvested First Advantage restricted stock. The restricted stock granted as a result of the conversion retain the vesting attributes (including the original service period vesting start dates) of the original award.

A summary of the restricted stock activity for the three months ended March 31, 2025 is as follows:

		Shares	Weighted Average Grant Date Fair Value
December 31, 2024	Nonvested restricted stock	692,714	\$ 18.70
	Vested	(271,992)	\$ 18.70
	Forfeited	(24,594)	\$ 18.70
March 31, 2025	Nonvested restricted stock	396,128	\$ 18.70

### **2021 Employee Stock Purchase Plan (“ESPP”)**

The Company’s ESPP allows eligible employees to voluntarily make after-tax contributions of up to 15% of such employee’s cash compensation to acquire Company stock during designated offering periods. Each offering period consists of one six-month purchase period. During the holding period, ESPP purchased shares are not eligible for sale or broker transfer. The Company recorded an associated expense of approximately \$0.1 million and \$0.2 million for three months ended March 31, 2025 and 2024, respectively.

### **Note 11. Equity**

#### **Preferred Stock**

As of March 31, 2025 and December 31, 2024, 250,000,000 shares of Preferred Stock were authorized, and no Preferred Stock was issued or outstanding.

### **Note 12. Commitments and Contingencies**

There have been no material changes to the Company’s contractual obligations as compared to December 31, 2024.

The Company is involved in litigation from time to time in the ordinary course of business. At times, the Company, given the nature of its background screening business, is subject to lawsuits, or potential class action lawsuits, in multiple jurisdictions, related to claims brought primarily by consumers or individuals who were the subject of its screening services.

For all pending matters, the Company believes it has meritorious defenses and intends to defend vigorously or otherwise seek indemnification from other parties as appropriate. However, the Company has recorded a liability of \$11.2 million and \$11.6 million as of March 31, 2025 and December 31, 2024, respectively, for matters that it believes entail a loss that is both probable and estimable. This is included in accrued liabilities in the accompanying condensed consolidated balance sheets.

The Company will continue to evaluate information as it becomes known and will record an estimate for losses at the time when it is both probable that a loss has been incurred and the amount of the loss is reasonably estimable.

### **Note 13. Related Party Transactions**

The Company had no material related party transactions for the three months ended March 31, 2025.

### **Note 14. Net Loss Per Share**

Basic weighted-average shares outstanding excludes nonvested restricted stock. Diluted weighted average shares outstanding is similar to basic weighted-average shares outstanding, except that the weighted-average number of shares is increased to include the number of additional common shares that would have been outstanding if the potentially dilutive common share had been issued, including the dilutive impact of nonvested restricted stock. The potentially dilutive securities outstanding during the three months ended March 31, 2025, had an anti-dilutive effect and were therefore not included in the calculation of diluted net loss per share. Basic and diluted net loss per share was calculated as follows:

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Basic and diluted net loss per share	\$ (0.24)	\$ (0.02)
<b>Numerator:</b>		
Net loss (in thousands)	\$ (41,194)	\$ (2,908)
<b>Denominator:</b>		
Weighted average number of shares outstanding - basic and diluted	172,756,497	143,591,713

For the three months ended March 31, 2025 and 2024, a total of 3,863,961 and 3,287,852 stock options, RSUs, and restricted stock awards were excluded from the calculation of diluted net loss per share, respectively, because their effect was anti-dilutive.

## Note 15. Reportable Segments

The Company has three reportable segments:

- **First Advantage Americas.** This segment pertains to our Legacy First Advantage business and performs a variety of background check and compliance services across all phases of the workforce lifecycle from pre-onboarding services to post-onboarding and ongoing monitoring services, covering employees, contractors, contingent workers, tenants, and drivers. We generally classify our service offerings into three categories: pre-onboarding, post-onboarding, and adjacent products. We deliver our solutions across multiple industry verticals in the United States, Canada, and Latin America.
- **First Advantage International.** The First Advantage International segment pertains to our Legacy First Advantage business and provides services similar to our Americas segment in regions outside of the Americas. We primarily deliver our solutions across multiple industry verticals in the Europe, India, and Asia Pacific.
- **Sterling.** This segment is comprised of the acquired entity, Sterling Check Corp., which was acquired on October 31, 2024. The Sterling segment provides similar services as compared to First Advantage's Americas and International segments on a global basis.

Our chief operating decision maker ("CODM") uses the performance measure of Adjusted EBITDA, on both a consolidated and a segment basis, to allocate resources and assess performance of our businesses. Our CODM also uses Adjusted EBITDA as a performance measure for both segment and corporate management under our incentive compensation plans. Corporate costs are generally allocated to the segments based upon estimated revenue levels and other assumptions that management considers reasonable. Adjusted cost of services consists of amounts paid to third parties for access to government records, other third-party data and services, our internal processing fulfillment and customer care functions, and other cost of services excluding depreciation and amortization, share-based compensation expenses, transaction expenses, and integration expenses. Other segment items consist of product and technology and selling, general, and administrative expenses, but similarly excludes depreciation and amortization, share based compensation, and other expenses excluded from Adjusted EBITDA.

The CODM does not review the Company's assets by segment as it does not provide additional insights into the performance of our business; therefore, such information is not presented. The accounting policies of the segments are the same as described in Note 1. "Organization, Nature of Business, and Basis of Presentation" and Note 2. "Summary of Significant Accounting Policies" included in the Annual Report on Form 10-K for the year ended December 31, 2024.

Reconciliations of Segment Adjusted EBITDA to net loss for the three months ended March 31, 2025 and 2024 is as follows (in thousands):

	Three Months Ended March 31, 2025			
	First Advantage Americas	First Advantage International	Sterling	Total
Total revenues	\$ 145,353	\$ 23,775	\$ 187,518	\$ 356,646
Intersegment revenues	(491)	(1,263)	(304)	(2,058)
External revenues	\$ 144,862	\$ 22,512	\$ 187,214	\$ 354,588
Less:				
Adjusted cost of services	74,183	13,848	104,802	
Other segment items	30,863	6,561	34,277	
Segment Adjusted EBITDA	\$ 40,307	\$ 3,366	\$ 48,439	\$ 92,112
Adjustments to reconcile to net loss:				
Interest expense, net				46,580
Provision for income taxes				2,231
Depreciation and amortization				61,666
Share-based compensation				7,967
Transaction and acquisition-related charges <sup>(a)</sup>				3,996
Integration, restructuring, and other charges <sup>(b)</sup>				10,866
<b>Net loss</b>				<b>\$ (41,194)</b>

	Three Months Ended March 31, 2024			
	First Advantage Americas	First Advantage International	Sterling	Total
Total revenues	\$ 149,127	\$ 22,023	\$ —	\$ 171,150
Intersegment revenues	(315)	(1,419)	—	(1,734)
External revenues	\$ 148,812	\$ 20,604	\$ —	\$ 169,416
Less:				
Adjusted cost of services	76,070	12,837	—	
Other segment items	29,388	6,297	—	
Segment Adjusted EBITDA	\$ 43,669	\$ 2,889	\$ —	\$ 46,558
Adjustments to reconcile to net loss:				
Interest expense, net				3,570
Benefit for income taxes				(1,388)
Depreciation and amortization				29,822
Share-based compensation				4,751
Transaction and acquisition-related charges <sup>(a)</sup>				11,992
Integration, restructuring, and other charges <sup>(b)</sup>				719
<b>Net loss</b>				<b>\$ (2,908)</b>

(a) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Transaction and acquisition related charges for the three months ended March 31, 2025 include approximately \$3.8 million of expense associated with the Sterling Acquisition. The three months ended March 31, 2024 include approximately \$11.1 million of expense associated with the Sterling Acquisition, as well as incremental professional service fees incurred related to the Company's initial public offering and the subsequent one-time compliance efforts.

(b) Represents charges from organizational restructuring and integration activities, non-cash, and other charges primarily related to nonrecurring legal exposures, foreign currency (gains) losses, (gains) losses on the sale of assets, and other non-recurring items. Integration, restructuring, and other charges for the three months ended March 31, 2025 include approximately \$7.8 million of expense associated with the integration of Sterling.

### Geographic Information

The Company categorizes revenues by geographic region in which the revenues and invoicing are recorded. Other than the United States, no single country accounted for 10% or more of our total revenues during these periods.

The following summarizes revenues by geographical region (in thousands):

	Three Months Ended March 31,	
	2025	2024
Revenues		
United States	\$ 303,789	\$ 146,206
All other countries	50,799	23,210
Total revenues	\$ 354,588	\$ 169,416

The following table sets forth net long-lived assets by geographic area (in thousands):

	March 31, 2025	December 31, 2024
Long-lived assets, net		
United States	\$ 2,951,959	\$ 2,996,933
All other countries	435,281	436,741
Total long-lived assets, net	\$ 3,387,240	\$ 3,433,674

### Note 16. Subsequent Events

On April 16, 2025, the Company entered into an interest rate swap agreement with a notional amount of \$250.0 million. The interest rate swap will hedge our outstanding debt with a floating SOFR rate with a fixed rate of 3.56%. The interest rate swap agreement is effective as of April 30, 2025 and matures on April 30, 2028.

On May 7, 2025, the Company made a voluntary principal repayment of \$15.0 million on its outstanding Amended First Lien Credit Facility. The repayment was made using available cash on hand and reflects the Company's ongoing efforts to reduce leverage and strengthen its balance sheet. No prepayment penalties were incurred.

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

The following discussion and analysis of First Advantage Corporation’s financial condition and results of operations is provided as a supplement to the condensed consolidated financial statements for the three months ended March 31, 2025, and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, our “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024. All discussions and information in this Quarterly Report on Form 10-Q regarding our business and financial results relate solely to our operations prior to the acquisition of Sterling Check Corp. (“Sterling” and such acquisition, the “Sterling Acquisition”), unless otherwise indicated.

### Forward-Looking Statements

This Quarterly Report on Form 10-Q 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, our operations and financial performance. Forward-looking statements include all statements that are not historical facts. These forward-looking statements relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. In some cases, you can identify these forward-looking statements by the use of words such as “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “future,” “will,” “seek,” “foreseeable,” the negative version of these words, or similar terms and phrases.

These forward-looking statements are subject to various risks, uncertainties, assumptions, or changes in circumstances that are difficult to predict or quantify. Such risks and uncertainties include, but are not limited to, the following: the failure to realize the expected benefits of the Sterling Acquisition, negative changes in external events beyond our control, including our customers’ onboarding volumes, economic drivers which are sensitive to macroeconomic cycles, such as interest rate volatility and inflation, geopolitical unrest, global trade disputes, and uncertainty in financial markets; our operations in a highly regulated industry and the fact that we are subject to numerous and evolving laws and regulations, including with respect to personal data, data security, and artificial intelligence (“AI”); inability to identify and successfully implement our growth strategies on a timely basis or at all; potential harm to our business, brand, and reputation as a result of security breaches, cyber-attacks, or the mishandling of personal data; operating in a penetrated and competitive market; our reliance on third-party data providers; our sales to government entities and higher-tier contractors to governmental customers which involve unique competitive, procurement, budget, administrative and contractual risks; due to the sensitive and privacy-driven nature of our products and solutions, we could face liability and legal or regulatory proceedings, which could be costly and time-consuming to defend and may not be fully covered by insurance; our international business exposes us to a number of risks; real or perceived errors, failures, or bugs in our products could adversely affect our business, results of operations, financial condition, and growth prospects; our ability to identify attractive targets or successfully complete such transactions; failure to comply with anti-corruption laws and regulations; disruptions at our Global Operating Center and other operating centers; our contracts with our customers, which do not guarantee exclusivity or contracted volumes; disruptions, outages, or other errors with our technology and network infrastructure, including our data centers, servers, and third-party cloud and internet providers and our migration to the cloud; the continued integration of our platforms and solutions with human resource providers such as applicant tracking systems and human capital management systems as well as our relationships with such human resource providers; risks relating to public opinion, which may be magnified by incidents or adverse publicity concerning our industry or operations; our reliance on third-party vendors to carry out certain portions of our operations; our dependence on the service of our key executives and other employees, and our ability to find and retain qualified employees; our ability to obtain, maintain, protect and enforce our intellectual property and other proprietary information; our ability to maintain, protect, and enforce the confidentiality of our trade secrets; the use of open-source software in our applications; seasonality in our operations from quarter to quarter; our indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, and prevent us from meeting our obligations; Silver Lake’s control of us and the potential conflict of its interest with ours or those of our stockholders; and changing interpretations of tax laws.

For additional information on these and other factors that could cause First Advantage’s actual results to differ materially from expected results, please see our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission (the “SEC”), as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov). The forward-looking statements included in this Quarterly Report on Form 10-Q speak only as of the date of this Form 10-Q, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as required by law.

## Glossary of Selected Terminology

The following terms are used in this Form 10-Q, unless otherwise noted or indicated by the context:

- “Americas” in regards to our business, means the United States, Canada, and Latin America;
- “First Advantage,” the “Company,” “we,” “us,” and “our” mean the business of First Advantage Corporation and its subsidiaries;
- “International” in regards to our business, means all geographical regions outside of the United States, Canada, and Latin America;
- “Legacy First Advantage” refers to First Advantage Corporation and its subsidiaries, prior to the Sterling Acquisition, encompassing its core business operations, established workforce, existing processes, and the technology systems in place;
- “Revenues attributable to the Company’s acquisitions” means revenues recognized in the first year following each acquisition; and
- “Silver Lake” means Silver Lake Group, L.L.C., together with its affiliates, successors, and assignees.

Certain monetary amounts, percentages, and other figures included in this Quarterly Report on Form 10-Q have been subject to rounding adjustments. Percentage amounts included in this Quarterly Report on Form 10-Q have not in all cases been calculated on the basis of such rounded figures, but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this Quarterly Report on Form 10-Q may vary from those obtained by performing the same calculations using the figures in our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. Certain other amounts that appear in this Quarterly Report on Form 10-Q may not sum due to rounding.

## Website and Social Media Disclosure

We use our websites (<https://fadv.com/> and <https://investors.fadv.com/>) to distribute company information. We make available free of charge a variety of information for investors, including our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file that material with, or furnish it, to the SEC. The information we post on our websites may be deemed material. Accordingly, investors should monitor our websites, in addition to following our press releases, filings with the SEC, and public conference calls and webcasts. In addition, you may opt in to automatically receive email alerts and other information about First Advantage when you enroll your email address by visiting the “Email Alerts” section of our investor website at <https://investors.fadv.com/>. The contents of our websites and social media channels are not, however, a part of this Quarterly Report on Form 10-Q.

## Overview

First Advantage is a leading provider of global software and data in the HR technology industry. Enabled by its proprietary technology and AI, First Advantage’s platforms, data, and APIs power comprehensive employment background screening, digital identity solutions, and verification services.

Our comprehensive product suite includes criminal background checks, drug and health screening, extended workforce screening, biometrics and identity, education and work verifications, resident screening, fleet and driver compliance, executive screening, data analytics, continuous monitoring, social media monitoring, and hiring tax incentives.

On October 31, 2024, we completed our acquisition of Sterling, a global provider of technology-enabled background and identity verification services. This strategic acquisition enhances our capabilities and expands our service offerings, allowing us to deliver a comprehensive hiring and risk management solution that begins with identity verification and extends through criminal background screening, credential verification, drug and health screening, and ongoing risk monitoring.

Together, we derive a substantial majority of our revenues from pre-onboarding screening and perform screens in over 200 countries and territories, enabling us to serve as a one-stop-shop provider to both multinational companies and growth companies. Our 80,000 customers are global enterprises, mid-sized companies, and small companies, and our products and solutions are used by personnel in recruiting, human resources, risk, compliance, vendor management, safety, and/or security.

Our platforms offer flexibility for customers to specify which products to include in their screening package, such as Social Security numbers, criminal records, education and work verifications, sex offender registry, and global sanctions. Generally, our customers order a background screening package or selected combination of screens related to a single individual before they onboard that individual. The type and mix of products and solutions we sell to a customer vary by customer size, their screening requirements, and industry vertical. Therefore, order volumes are not comparable across customers or periods. Package pricing can also vary considerably by customer depending on the product mix in their screening packages, order volumes, screening requirements and preferences, pass-through and third-party out of pocket costs, and bundling of products.

We enter into contracts with our customers that are typically three years in length. These contracts set forth the general terms and pricing of our products and solutions but generally do not include minimum order volumes or committed order volumes. Additionally, a majority of Sterling's enterprise customer contracts are exclusive to Sterling or require Sterling to be used as the primary provider. Due to our contract terms and the nature of the background screening industry, we determined our contract terms for ASC 606 purposes to be three years or less. We typically bill our customers at the end of each month and recognize revenues as completed orders are reported or otherwise made available to our customers.

We generated revenues of \$354.6 million for the three months ended March 31, 2025, as compared to \$169.4 million for the three months ended March 31, 2024. Approximately 86% of our revenues for the three months ended March 31, 2025 was generated in the United States, while the remaining 14% was generated abroad. Other than the United States, no single country accounted for 10% or more of our total revenues for the three months ended March 31, 2025. Please refer to "Results of Operations" for further details.

## Segments

We manage our business and report our financial results in three reportable segments, First Advantage Americas, First Advantage International, and Sterling:

- **First Advantage Americas.** This segment pertains to our Legacy First Advantage business and performs a variety of background check and compliance services across all phases of the workforce lifecycle from pre-onboarding services to post-onboarding and ongoing monitoring services, covering employees, contractors, contingent workers, tenants, and drivers. We generally classify our service offerings into three categories: pre-onboarding, post-onboarding, and adjacent products. We deliver our solutions across multiple industry verticals in the United States, Canada, and Latin America.
- **First Advantage International.** The First Advantage International segment pertains to our Legacy First Advantage business and provides services similar to our Americas segment in regions outside of the Americas. We primarily deliver our solutions across multiple industry verticals in the Europe, India, and Asia Pacific.
- **Sterling.** This segment is comprised of the acquired entity, Sterling Check Corp., which was acquired on October 31, 2024. The Sterling segment provides similar services as compared to First Advantage's Americas and International segments on a global basis.

## Seasonality

We experience seasonality with respect to certain industries due to fluctuations in hiring volumes and other economic activity. For example, pre-onboarding revenues generated from our customers in the retail and transportation industries are historically highest during the months of October and November, leading up to the U.S. holiday season and lowest in December and at the beginning of the new year, following the U.S. holiday hiring season. Certain customers across various industries also historically increase their hiring throughout the second quarter of the year as winter concludes, and the school year ends, giving rise to student and graduate hiring, and increased commercial activity tied to outdoor activities. We expect that further growth in e-commerce, the continued demand for healthcare workers, the continued digital transformation of the economy, and other economic factors may impact future seasonality, but we are unable to predict these potential shifts and how our business may be impacted.

## **Recent Developments**

### ***Current Economic Conditions***

Our results are influenced by our customers' underlying business performance and hiring trends, which drive demand for background screening and adjacent products. Our customers' businesses can be affected by a variety of factors, including overall economic conditions, hiring velocity and turnover, and other industry-related trends. We are also exposed to macroeconomic cyclicality, as companies often scale back hiring and reduce reliance on contingent workforces during periods of economic slowdown, which can adversely affect demand for our products and solutions.

Current macroeconomic conditions—including elevated interest rates, persistent inflation, and fluctuations in job openings and hiring activity—continue to impact portions of the global economy. Additionally, global economic volatility driven by geopolitical tensions, ongoing conflicts, including in the Ukraine and Middle East, and uncertainty around monetary policy has led to increased caution across our customer base. Emerging and ongoing trade disputes between major global economies have also contributed to supply chain disruptions, increasing costs and reducing business confidence, particularly in sectors with global exposure. These trade tensions can slow economic activity, impact cross-border hiring trends, and reduce demand for certain customer verticals that rely on international talent and operations. Furthermore, the current U.S. presidential administration has signaled its intention to implement significant changes to U.S. trade policy, the size of the federal government and the enforcement of various regulations, which has increased economic uncertainty. These policy shifts could introduce additional market instability and reduce investor confidence and could negatively affect our business, financial condition, and operating results.

If this economic uncertainty continues or worsens, we may face pressure on new business generation, customer renewals, overall demand levels, sales and marketing effectiveness, revenue growth, customer onboarding, collection cycles, and product development initiatives. Our ability to sustain growth will also depend on the long-term stability, diversity, and resilience of the industry verticals we serve and rely upon to drive our revenues.

Despite these macroeconomic headwinds, we are confident in the overall long-term health of our business, the strength of our product offerings, and our ability to continue to execute on our strategy and help our customers hire smarter and onboard faster. Our continued focus on delivering innovative solutions that enhance workplace safety and address evolving compliance requirements and diversified customer base have contributed to the stability of our business and long-term financial performance.

For additional information, see our “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Annual Report”).

## **Components of our Results of Operations**

### ***Revenues***

The Company derives revenues from a variety of background screening and adjacent products that cover all phases of the workforce lifecycle from pre-onboarding screening services to post-onboarding and ongoing monitoring services, covering employees, contractors, contingent workers, tenants, and drivers. We generally classify our products and solutions into three major categories: pre-onboarding, post-onboarding, and adjacent products, each of which is enabled by our technologies, proprietary internal databases, and data analytics capabilities. Pre-onboarding products, which comprise the substantial majority of our revenues, span an extensive array of products that customers typically utilize to enhance their candidate evaluation process and support compliance with their workforce onboarding criteria from the time an application is submitted to a candidate’s successful onboarding. Post-onboarding products are comprised of continuous monitoring, re-screening, and other solutions to help our customers keep their end customers, workforces, and other stakeholders safer, more productive, and more compliant. Adjacent products include products that complement our pre-onboarding and post-onboarding solutions such as fleet and vehicle compliance, hiring tax credits and incentives, resident and tenant screening, employment eligibility, and investigative research.

Our suite of products is available individually or through packaged solutions that can be configured and tailored according to our customers’ needs. We typically bill our customers at the end of each month and recognize revenues after completed orders are reported or otherwise made available to our customers, with a substantial majority of our customers’ orders completed the same day they are submitted. We recognize revenues for other products over time as the customer simultaneously receives and consumes the benefits of the products and solutions delivered.

## ***Operating Expenses***

We incur the following expenses related to our cost of revenues and operating expenses:

- *Cost of Services (exclusive of depreciation and amortization below)*: Consists of amounts paid to third parties for access to government records, other third-party data and services, and our internal processing fulfillment and customer care functions. In addition, cost of services includes expenses from our drug screening lab and collection site network as well as our court runner network. Third-party cost of services are largely variable in nature and are typically invoiced to our customers as direct pass-through costs. Cost of services also includes our salaries and benefits expense for personnel involved in the processing and fulfillment of our screening products and solutions, as well as our customer care organization and robotics process automation implementation team. Other costs included in cost of services relate to allocations of certain overhead costs for our revenue-generating products and solutions, primarily consisting of certain facility costs and administrative services allocated by headcount or another related metric. We do not allocate depreciation and amortization to cost of services.
- *Product and Technology Expense*: Consists of salaries and benefits of personnel involved in the maintenance of our technology and its integrations and APIs, product marketing, management of our network and infrastructure capabilities, and maintenance of our information security and business continuity functions. A portion of the personnel costs are related to the development of new products and features that are primarily developed through agile methodologies. Certain of these costs are capitalized, and therefore, are partially reflected as amortization expense within the depreciation and amortization cost line item. Product and technology expense also includes third-party costs related to our cloud computing services, software licensing and maintenance, telecommunications, and other data processing functions. We do not allocate depreciation and amortization to product and technology expense.
- *Selling, General, and Administrative Expense*: Consists of sales, customer success, marketing, and general and administrative expenses. Sales, customer success, and marketing expenses consist primarily of employee compensation such as salaries, bonuses, sales commissions, share-based compensation, and other employee benefits for our verticalized sales and customer success teams. General and administrative expenses include travel expenses and various corporate functions including finance, human resources, legal, and other administrative roles, in addition to certain professional service fees and expenses incurred in connection with the Sterling Acquisition. We expect selling, general, and administrative expenses to increase in the short-term, primarily as a result of additional Sterling integration costs. Over the long-term, we expect selling, general, and administrative expenses to decrease as a percentage of revenues as we leverage our past investments. We do not allocate depreciation and amortization to selling, general, and administrative expenses.
- *Depreciation and Amortization*: Property and equipment consisting mainly of capitalized software costs, furniture, hardware, and leasehold improvements are depreciated or amortized and reflected as operating expenses. We also amortize the capitalized costs of finite-life intangible assets acquired in connection with business combinations.

We have a flexible cost structure that allows our business to adjust quickly to the impacts of macroeconomic events and scale to meet the needs of large customers. Operating expenses are influenced by the amount of revenues, customer mix, and product mix that contribute to our revenues for any given period, as well as the progress of our integration of Sterling. As revenues grow, we would generally expect cost of services to grow in a similar fashion, albeit influenced by the effects of automation, productivity, and other efficiency initiatives as well as customer and product mix shifts and third-party pass-through costs. We regularly review expenses and investments in the context of revenue growth and any shifts we identify in the business in order to align with our overall financial objectives. While we expect operating expenses to increase in absolute dollars to support our continued growth, we believe that, in the long term, operating expenses as a percentage of total revenues will decline gradually in the future as our business grows and our operating efficiency and automation initiatives continue to advance.

## ***Other Expense, Net***

Our other expense, net consists of interest expense, net. Interest expense, net relates primarily to our debt service costs, the interest-related unrealized gains and losses of our interest rate derivative instruments and, to a lesser extent, the interest on our finance lease obligations and the amortization of deferred financing costs. Additionally, interest expense, net includes interest income earnings on our cash and cash equivalent balances held in interest-bearing accounts.

## ***Provision for Income Taxes***

Provision for income taxes consists of domestic and foreign corporate income taxes related to earnings from our sale of services, with statutory tax rates that differ by jurisdiction. Our effective tax rate may be affected by many other factors including changes in tax laws, regulations or rates, new interpretations of existing laws or regulations, shifts in the allocation of income earned throughout the world, and changes in overall levels of income before tax.

## Results of Operations

The information contained below should be read in conjunction with our accompanying historical condensed consolidated financial statements and the related notes.

### Comparison of Results of Operations for the three months ended March 31, 2025 compared to the three months ended March 31, 2024

(in thousands, except percentages)	Three Months Ended March 31,	
	2025	2024
<b>Revenues</b>	\$ 354,588	\$ 169,416
Operating Expenses:		
Cost of services (exclusive of depreciation and amortization below)	192,565	87,192
Product and technology expense	27,155	12,466
Selling, general, and administrative expense	65,585	40,662
Depreciation and amortization	61,666	29,822
Total operating expenses	346,971	170,142
<b>Income (loss) from operations</b>	<b>7,617</b>	<b>(726)</b>
Other Expense, Net:		
Interest expense, net	46,580	3,570
Total other expense, net	46,580	3,570
Loss before provision for income taxes	(38,963)	(4,296)
Provision (benefit) for income taxes	2,231	(1,388)
<b>Net loss</b>	<b>\$ (41,194)</b>	<b>\$ (2,908)</b>
Net loss margin	(11.6)%	(1.7)%

### Revenues

(in thousands)	Three Months Ended March 31,	
	2025	2024
<b>Revenues</b>		
First Advantage Americas	\$ 145,353	\$ 149,127
First Advantage International	23,775	22,023
Sterling	187,518	—
Eliminations	(2,058)	(1,734)
Total revenues	\$ 354,588	\$ 169,416

Revenues were \$354.6 million for the three months ended March 31, 2025, compared to \$169.4 million for the three months ended March 31, 2024. Revenues for the three months ended March 31, 2025 increased by \$185.2 million, or 109.3%, compared to the three months ended March 31, 2024.

The increase in revenues is due to:

- revenues of \$187.5 million, or 110.7%, attributable to Sterling as a result of the Sterling Acquisition completed on October 31, 2024; and
- revenues of \$5.1 million, or 3.0%, from new customers, primarily attributable to our First Advantage Americas segment.

These revenue increases were offset by a net decrease of \$7.4 million, or 4.4%, in revenues from existing customers, primarily due to macroeconomic pressures across a number of our customer verticals that led to reduced overall customer demand, as well as the impact of lost customers. These decreases in existing customer revenues were partially mitigated by continued strength from upselling and cross-selling initiatives, which contributed an additional \$7.2 million, or 4.3%, in revenue growth.

Pricing remained relatively stable across all periods.

## Cost of Services

	Three Months Ended March 31,	
	2025	2024
<i>(in thousands, except percentages)</i>		
Cost of services	192,565	87,192
Revenues	\$ 354,588	\$ 169,416
Cost of services as a % of revenue	54.3%	51.5%

Cost of services was \$192.6 million for the three months ended March 31, 2025, compared to \$87.2 million for the three months ended March 31, 2024. Cost of services for the three months ended March 31, 2025 increased by \$105.4 million, or 120.9%, compared to the three months ended March 31, 2024.

The increase in cost of services was primarily due to \$105.7 million of Sterling costs of services recognized after the Sterling Acquisition.

Cost of services as a percentage of revenues was 54.3% for the three months ended March 31, 2025, compared to 51.5% for the three months ended March 31, 2024. The cost of services percentage of revenues for the first quarter of 2025 was impacted by Sterling's higher relative cost of services due to the segment's product and customer mix and other variations in customer ordering mix.

## Product and Technology Expense

	Three Months Ended March 31,	
	2025	2024
<i>(in thousands)</i>		
Product and technology expense	\$ 27,155	\$ 12,466

Product and technology expense was \$27.2 million for the three months ended March 31, 2025, compared to \$12.5 million for the three months ended March 31, 2024. Product and technology expense for the three months ended March 31, 2025 increased by \$14.7 million, or 117.8%, compared to the three months ended March 31, 2024.

The increase in product and technology expense was primarily due to:

- \$11.1 million of Sterling expenses recognized after the Sterling Acquisition, of which approximately \$0.5 million related to cash compensation expense due to the conversion of Sterling equity awards to cash awards as part of the transaction;
- a \$2.4 million increase in Legacy First Advantage personnel expenses as a result of additional investments made to enhance our products, solutions, and technology platform; and
- a \$1.0 million increase in Legacy First Advantage professional service fees related to continued investments in our technology platform.

## Selling, General, and Administrative Expense

	Three Months Ended March 31,	
	2025	2024
<i>(in thousands)</i>		
Selling, general, and administrative expense	\$ 65,585	\$ 40,662

Selling, general, and administrative expense was \$65.6 million for the three months ended March 31, 2025, compared to \$40.7 million for the three months ended March 31, 2024. Selling, general, and administrative expense for the three months ended March 31, 2025 increased by \$24.9 million, or 61.3%, compared to the three months ended March 31, 2024.

Selling, general, and administrative expense increased primarily due to \$30.5 million of Sterling expenses recognized after the Sterling Acquisition, which include:

- \$3.2 million related to share-based compensation expense due to the conversion of Sterling equity awards to First Advantage equity awards as part of the transaction;
- \$2.9 million related to cash compensation expense due to the conversion of Sterling equity awards to cash awards as part of the transaction; and
- \$1.9 million related to post-combination restructuring costs.

These increases in selling, general, and administrative expense were partially offset by a \$7.9 million decrease in transaction costs attributable to the Sterling Acquisition related to professional service, legal, and other fees, that did not reoccur as the acquisition was completed on October 31, 2024.

## Depreciation and Amortization

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Depreciation and amortization	\$ 61,666	\$ 29,822

Depreciation and amortization was \$61.7 million for the three months ended March 31, 2025, compared to \$29.8 million for the three months ended March 31, 2024. Depreciation and amortization for the three months ended March 31, 2025 increased by \$31.8 million, or 106.8%, compared to the three months ended March 31, 2024. This increase was primarily due to the impact of the step up in fair value of property and equipment and intangible assets as a result of the application of purchase accounting related to the Sterling Acquisition, which is being amortized on an accelerated basis based on the relative projected discounted cash flows of each asset.

## Interest Expense, Net

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Interest expense, net	\$ 46,580	\$ 3,570

Interest expense, net was \$46.6 million for the three months ended March 31, 2025, compared to \$3.6 million for the three months ended March 31, 2024. Interest expense, net for the three months ended March 31, 2025 increased by \$43.0 million or 1,204.8%, compared to the three months ended March 31, 2024.

This increase in interest expense was primarily attributable to higher interest expense on the Company's Amended First Lien Credit Facility (as defined below), resulting from an incremental term loan principal amount of \$1,620.3 million and an incremental revolver availability amount of \$150.0 million, in connection with the Sterling Acquisition. Increases in interest expense were further impacted by increases in unrealized losses on the Company's interest swaps resulting from interest rate volatility experienced during the period.

## Provision for Income Taxes

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Provision (benefit) for income taxes	\$ 2,231	\$ (1,388)

Our provision for income taxes was \$2.2 million for the three months ended March 31, 2025, compared to a benefit of \$(1.4) million for the three months ended March 31, 2024. Our provision for income taxes for the three months ended March 31, 2025 increased by \$3.6 million, compared to the three months ended March 31, 2024.

The increase in our provision for income taxes was primarily due to the jurisdictional mix of earnings, higher income taxes in the jurisdictions outside of the U.S., and U.S. state income taxes during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024.

## Net loss and Net loss Margin

<i>(in thousands, except percentages)</i>	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (41,194)	\$ (2,908)
Net loss margin	(11.6)%	(1.7)%

Net loss was \$(41.2) million for the three months ended March 31, 2025, compared to \$(2.9) million for the three months ended March 31, 2024. Net loss for the three months ended March 31, 2025 increased by \$38.3 million compared to the three months ended March 31, 2024.

Net loss margin was (11.6)% for the three months ended March 31, 2025, compared to (1.7)% for the three months ended March 31, 2025, as increases in depreciation and amortization, primarily as a result of the Company's Sterling Acquisition and reduced demand from customers more impacted by macroeconomic factors, contributed to lower profitability.

## Key Operating and Financial Metrics

In addition to our results determined in accordance with GAAP, we believe certain measures are useful in evaluating our operating performance. Management believes these non-GAAP measures are useful to investors in highlighting trends in our operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate, and capital investments. Management uses Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted Earnings Per Share to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, to establish discretionary annual incentive compensation, and to compare our performance against that of peer companies using similar measures. Management supplements GAAP results with non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone.

The presentations of these measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

### Adjusted EBITDA and Adjusted EBITDA Margin

Management believes that Adjusted EBITDA is a strong indicator of our overall operating performance and is useful to management and investors as a measure of comparative operating performance from period to period. We define Adjusted EBITDA as net (loss) income before interest, taxes, depreciation, and amortization, and as further adjusted for loss on extinguishment of debt, share-based compensation, transaction and acquisition-related charges, integration and restructuring charges, and other non-cash charges. We exclude the impact of share-based compensation because it is a non-cash expense and we believe that excluding this item provides meaningful supplemental information regarding performance and ongoing cash generation potential. We exclude loss on extinguishment of debt, transaction and acquisition related charges, integration and restructuring charges, and other charges because such expenses are episodic in nature and have no direct correlation to the cost of operating our business on an ongoing basis.

Adjusted EBITDA was \$92.1 million for the three months ended March 31, 2025 and represented an Adjusted EBITDA Margin of 26.0%. Adjusted EBITDA was \$46.6 million for the three months ended March 31, 2024 and represented an Adjusted EBITDA Margin of 27.5%. Adjusted EBITDA for the three months ended March 31, 2025 increased by \$45.6 million, or 97.8%, compared to the three months ended March 31, 2024, primarily due to the Sterling Acquisition.

The following table presents a reconciliation of Adjusted EBITDA for the periods presented.

<i>(in thousands)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net loss	\$ (41,194)	\$ (2,908)
Interest expense, net	46,580	3,570
Provision (benefit) for income taxes	2,231	(1,388)
Depreciation and amortization	61,666	29,822
Share-based compensation <sup>(a)</sup>	7,967	4,751
Transaction and acquisition-related charges <sup>(b)</sup>	3,996	11,992
Integration, restructuring, and other charges <sup>(c)</sup>	10,866	719
<b>Adjusted EBITDA</b>	<b>\$ 92,112</b>	<b>\$ 46,558</b>

(a) Share-based compensation for the three months ended March 31, 2025 and 2024 includes approximately \$1.9 million and \$2.6 million, respectively of incrementally recognized expense associated with the May 2023 modification of the vesting terms of outstanding unvested and unearned performance-based options, restricted stock units, and restricted stock awards.

(b) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Transaction and acquisition related charges for the three months ended March 31, 2025 include approximately \$3.8 million of expense associated with the Sterling Acquisition. The three months ended March 31, 2024 include approximately \$11.1 million of expense associated with the Sterling Acquisition, as well as incremental professional service fees incurred related to the Company's initial public offering and the subsequent one-time compliance efforts.

(c) Represents charges from organizational restructuring and integration activities, non-cash, and other charges primarily related to nonrecurring legal exposures, foreign currency (gains) losses, (gains) losses on the sale of assets, and other non-recurring items. Integration, restructuring, and other charges for the three months ended March 31, 2025 include approximately \$7.8 million of expense associated with the integration of Sterling.

We define Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenues. The following table presents the calculation of Adjusted EBITDA Margin for the periods presented.

<i>(in thousands, except percentages)</i>	Three Months Ended March 31,	
	2025	2024
Adjusted EBITDA	\$ 92,112	\$ 46,558
Revenues	354,588	169,416
<b>Adjusted EBITDA Margin</b>	<b>26.0%</b>	<b>27.5%</b>

The following table presents a calculation of Adjusted EBITDA by segment for the periods presented. See Note 15, "Reportable Segments" to the condensed consolidated financial statements for a reconciliation of Adjusted EBITDA for the periods presented by segment.

<i>(in thousands, except percentages)</i>	Three Months Ended March 31,	
	2025	2024
Adjusted EBITDA <sup>(1)</sup>		
First Advantage Americas	\$ 40,307	\$ 43,669
First Advantage International	3,366	2,889
Sterling	48,439	—
<b>Adjusted EBITDA</b>	<b>\$ 92,112</b>	<b>\$ 46,558</b>
Revenues		
First Advantage Americas	\$ 145,353	\$ 149,127
First Advantage International	23,775	22,023
Sterling	187,518	—
Less: intersegment eliminations	(2,058)	(1,734)
<b>Total revenues</b>	<b>\$ 354,588</b>	<b>\$ 169,416</b>
Adjusted EBITDA Margin		
First Advantage Americas	27.7%	29.3%
First Advantage International	14.2%	13.1%
Sterling	25.8%	n/a
<b>Adjusted EBITDA Margin</b>	<b>26.0%</b>	<b>27.5%</b>

(1) See the reconciliation of net loss to Adjusted EBITDA above. Segment Adjusted EBITDA margins are calculated using segment gross revenues and segment Adjusted EBITDA. Consolidated Adjusted EBITDA margin is calculated using consolidated revenues and consolidated Adjusted EBITDA.

#### *Adjusted Net Income and Adjusted Diluted Earnings Per Share*

Similar to Adjusted EBITDA, management believes that Adjusted Net Income and Adjusted Diluted Earnings Per Share are strong indicators of our overall operating performance and are useful to our management and investors as measures of comparative operating performance from period to period. We define Adjusted Net Income for a particular period as net loss before taxes adjusted for debt-related costs, acquisition-related depreciation and amortization, share-based compensation, transaction and acquisition related charges, integration and restructuring charges, and other non-cash charges, to which we then apply the related effective tax rate. We define Adjusted Diluted Earnings Per Share as Adjusted Net Income divided by adjusted weighted average number of shares outstanding—diluted.

Adjusted Net Income was \$30.5 million for the three months ended March 31, 2025, compared to \$24.8 million for the three months ended March 31, 2024. Adjusted Net Income for the three months ended March 31, 2025 increased by \$5.7 million, or 23.0% compared to the three months ended March 31, 2024, primarily due to the Sterling Acquisition. This increase was offset by changes in acquisition-related depreciation and amortization and our capital structure that are captured in interest expense.

Adjusted Diluted Earnings Per Share was \$0.17 for the three months ended March 31, 2025, consistent with the three months ended March 31, 2024, as increases in Adjusted Net Income were offset by the incremental interest on the transaction financing and the dilutive impact of the new shares issued for the Sterling Acquisition.

Gains or losses and actual cash payments and receipts on the Company's interest rate swaps impact the comparability of Adjusted Net Income and Adjusted Diluted Earnings Per Share across historical periods.

The following table presents a reconciliation of Adjusted Net Income for the periods presented.

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (41,194)	\$ (2,908)
Provision (benefit) for income taxes	2,231	(1,388)
Loss before provision for income taxes	(38,963)	(4,296)
Debt-related charges <sup>(a)</sup>	6,803	(3,014)
Acquisition-related depreciation and amortization <sup>(b)</sup>	50,039	22,625
Share-based compensation <sup>(c)</sup>	7,967	4,751
Transaction and acquisition-related charges <sup>(d)</sup>	3,996	11,992
Integration, restructuring, and other charges <sup>(e)</sup>	10,866	719
Adjusted Net Income before income tax effect	40,708	32,777
Less: Adjusted income taxes <sup>(f)</sup>	10,222	7,991
<b>Adjusted Net Income</b>	<b>\$ 30,486</b>	<b>\$ 24,786</b>

The following table presents the calculation of Adjusted Diluted Earnings Per Share for the periods presented.

	Three Months Ended March 31,	
	2025	2024
Diluted net loss per share (GAAP)	\$ (0.24)	\$ (0.02)
<i>Adjusted Net Income adjustments per share</i>		
Provision (benefit) for income taxes	0.01	(0.01)
Debt-related charges <sup>(a)</sup>	0.04	(0.02)
Acquisition-related depreciation and amortization <sup>(b)</sup>	0.29	0.16
Share-based compensation <sup>(c)</sup>	0.05	0.03
Transaction and acquisition-related charges <sup>(d)</sup>	0.02	0.08
Integration, restructuring, and other charges <sup>(e)</sup>	0.06	0.00
Adjusted income taxes <sup>(f)</sup>	(0.06)	(0.05)
<b>Adjusted Diluted Earnings Per Share (Non-GAAP)</b>	<b>\$ 0.17</b>	<b>\$ 0.17</b>

Weighted average number of shares outstanding used in computation of Adjusted Diluted Earnings Per Share:

Weighted average number of shares outstanding—diluted (GAAP)	172,756,497	143,591,713
Options and restricted stock not included in weighted average number of shares outstanding—diluted (GAAP) (using treasury stock method)	2,217,580	2,110,928
<b>Adjusted weighted average number of shares outstanding—diluted (Non-GAAP)</b>	<b>174,974,077</b>	<b>145,702,641</b>

- (a) Represents the non-cash interest expense related to the amortization of debt issuance costs for the February 2021 and October 2024 refinancing of the Company's First Lien Credit Facility. This adjustment also includes the impact of the change in fair value of interest rate swaps, which represents the difference between the fair value gains or losses and actual cash payments and receipts on the interest rate swaps.
- (b) Represents the depreciation and amortization expense related to incremental intangible and developed technology assets recorded due to the application of ASC 805, *Business Combinations*. As a result, the purchase accounting related depreciation and amortization expense will recur in future periods until the related assets are fully depreciated or amortized, and the related purchase accounting assets may contribute to revenue generation.
- (c) Share-based compensation for the three months ended March 31, 2025 and 2024 includes approximately \$1.9 million and \$2.6 million, respectively of incrementally recognized expense associated with the May 2023 modification of the vesting terms of outstanding unvested and unearned performance-based options, restricted stock units, and restricted stock awards.
- (d) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Transaction and acquisition related charges for the three months ended March 31, 2025 include approximately \$3.8 million of expense associated with the Sterling Acquisition. The three months ended March 31, 2024 include approximately \$11.1 million of expense associated with the Sterling Acquisition, as well as incremental professional service fees incurred related to the Company's initial public offering and the subsequent one-time compliance efforts.
- (e) Represents charges from organizational restructuring and integration activities, non-cash, and other charges primarily related to nonrecurring legal exposures, foreign currency (gains) losses, (gains) losses on the sale of assets, and other non-recurring items. Integration, restructuring, and other charges for the three months ended March 31, 2025 include approximately \$7.8 million of expense associated with the integration of Sterling.
- (f) Effective tax rates of approximately 25.1% and 24.4% have been used to compute Adjusted Net Income and Adjusted Diluted Earnings Per Share for the three months ended March 31, 2025 and 2024, respectively.

## Liquidity and Capital Resources

### Liquidity

The Company's primary liquidity requirements are for working capital, debt service, continued investments in software development and other capital expenditures, and other strategic investments, including the Sterling Acquisition and related integration. In addition, income taxes are and will be a material use of funds, depending on our future profitability and future tax rates. The Company's liquidity needs are met primarily through existing balance sheet cash, cash flows from operations, as well as funds available under our revolving credit facility and proceeds from our term loan borrowings, including incremental term loan borrowings incurred to fund the Sterling Acquisition. Our cash flows from operations include cash received from customers, less cash costs to provide services to our customers, which includes general and administrative costs and interest payments.

As of March 31, 2025, we had \$172.0 million in cash and cash equivalents and \$250.0 million available under our revolving credit facility. As of March 31, 2025, we had \$2,179.5 million of total debt outstanding. We believe our cash on hand, together with amounts available under our revolving credit facility, and cash provided by operating activities are and will continue to be adequate to meet our operational and business needs in the next twelve months. To the extent additional funds are necessary to meet our long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds. In the event that we need access to additional cash, we may not be able to access the credit markets on commercially acceptable terms or at all. Our ability to fund future operating expenses and capital expenditures and our ability to meet future debt service obligations or refinance our indebtedness will depend on our future operating performance, which will be affected by general economic, financial, and other factors that may be beyond our control, including those described under our "Risk Factors" included in our 2024 Annual Report.

### Dividends

On August 8, 2023, the Company's Board of Directors declared a one-time special cash dividend of \$1.50 per share to stockholders of record at the close of business on August 21, 2023. The cash dividend was paid on August 31, 2023. Any further determination to pay dividends on our capital stock will be at the discretion of our Board of Directors, subject to applicable laws, and will depend on our financial condition, operating results, capital requirements, general business conditions, and other factors that our Board of Directors considers relevant.

### Credit Agreement

At December 31, 2023, First Advantage Holdings, LLC, an indirect wholly-owned subsidiary of the Company, was a party to a First Lien Credit Agreement (as amended, "Credit Agreement"), which provided for a term loan of \$766.6 million due January 31, 2027 ("First Lien Credit Facility"), carrying an interest rate of 2.75% to 3.00%, based on the first lien ratio, plus the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York ("SOFR") (subsequent to an amendment in June 2023 to transition the reference rate from LIBOR (the London Interbank Offer Rate)), with the addition of an applicable margin, and a \$100.0 million revolving credit facility due July 31, 2026 ("Revolver").

In connection with the Sterling Acquisition, on October 31, 2024, the Company refinanced its existing First Lien Credit Agreement and all related Sterling debt (the "2024 First Lien Credit Agreement"). The 2024 First Lien Credit Agreement provides for a term loan of \$2.185 billion due October 31, 2031, carrying an interest rate of 3.00% to 3.25%, based on the first lien ratio, plus SOFR ("Amended First Lien Credit Facility") and a \$250.0 million revolving credit facility due October 31, 2029 ("Amended Revolver").

Borrowings under the 2024 First Lien Credit Agreement bear interest at a rate per annum equal to an applicable margin plus, at our option, either (a) a base rate or (b) SOFR, which is subject to a floor of 0.00% per annum. The applicable margins under the 2024 First Lien Credit Agreement are subject to stepdowns based on our first lien net leverage ratio. In addition, the borrower, First Advantage Holdings, LLC is required to pay a commitment fee on any unutilized commitments under the revolving credit facility. The commitment fee rate ranges between 0.25% and 0.50% per annum based on our first lien net leverage ratio. The borrower is also required to pay customary letter of credit fees. The Amended First Lien Credit Facility amortizes in equal quarterly installments in aggregate annual amounts equal to 1.00% of the principal amount. The Amended Revolver has no amortization.

The 2024 First Lien Credit Agreement requires the borrower to prepay outstanding term loans, subject to certain exceptions, with certain proceeds from non-ordinary course asset sales, issuance of debt not permitted by the credit agreement to be incurred and annual excess cash flows. In addition, any voluntary prepayment of term loans in connection with certain repricing transactions on or prior to April 30, 2025 are subject to a 1.00% prepayment premium. Otherwise, the borrower may voluntarily repay outstanding loans without premium or penalty, other than customary "breakage" costs.

The 2024 First Lien Credit Agreement is unconditionally guaranteed by Fastball Parent, Inc., a wholly-owned subsidiary of the Company and the direct parent of the borrower, and material wholly owned domestic restricted subsidiaries of Fastball Parent, Inc. The 2024 First Lien Credit Agreement and the guarantees of such obligations, are secured, subject to permitted liens and other exceptions, by (1) a first priority security interest in certain tangible and intangible assets of the borrower and the guarantors and (2) a first-priority pledge of 100% of the capital stock of the borrower and of each wholly-owned material restricted subsidiary of the borrower and the guarantors (which pledge, in the case of any non-U.S. subsidiary of a U.S. subsidiary, does not include more than 65% of the voting stock of such non-U.S. subsidiary).

The 2024 First Lien Credit Agreement contains customary affirmative covenants, negative covenants and events of default (including upon a change of control). The 2024 First Lien Credit Agreement also includes a “springing” first lien net leverage ratio test, applicable only to the Amended Revolver, that requires such ratio to be no greater than 7.75:1.00 on the last day of any fiscal quarter if more than 40.0% of the Amended Revolver is utilized on such date. See Note 6, “Debt,” to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further information.

## Cash Flow Analysis

### *Comparison of Cash Flows for the three months ended March 31, 2025 compared to the three months ended March 31, 2024*

The following table is a summary of our cash flow activity for the periods presented:

<i>(in thousands)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net cash provided by operating activities	\$ 19,471	\$ 38,329
Net cash used in investing activities	(11,076)	(7,031)
Net cash (used in) provided by financing activities	(5,993)	689

#### *Cash Flows from Operating Activities*

Net cash provided by operating activities was \$19.5 million for the three months ended March 31, 2025, compared to \$38.3 million for the three months ended March 31, 2024. Net cash provided by operating activities for the three months ended March 31, 2025 decreased by \$18.9 million compared to the three months ended March 31, 2024. Cash flows from operating activities for the three months ended March 31, 2025 were lower due to interest payments of \$41.4 million on the Company’s Amended First Lien Credit Facility, the timing of professional service and legal fee payments related to the Company’s acquisition and integration of Sterling, and continued moderate hiring activity by our customers due to the current macroeconomic environment.

#### *Cash Flows from Investing Activities*

Net cash used in investing activities was \$11.1 million for the three months ended March 31, 2025, compared to \$7.0 million for the three months ended March 31, 2024. Net cash used in investing activities for the three months ended March 31, 2025 increased by \$4.0 million compared to the three months ended March 31, 2024. The increase in cash flows used in investing activities was primarily due increased spend on software development related to the Sterling platform.

#### *Cash Flows from Financing Activities*

Net cash (used in) provided by financing activities was \$(6.0) million for the three months ended March 31, 2025, compared to \$0.7 million for the three months ended March 31, 2024. Net cash used in financing activities for the three months ended March 31, 2025 was primarily driven by a \$5.5 million increase in principal payments on the Company’s Amended First Lien Credit Facility. Net cash provided by financing activities for three months ended March 31, 2024 was driven by cash inflows related to share-based compensation activity. These inflows were offset by cash outflows related to payments on the deferred purchase of a software platform.

## Contractual Obligations and Commitments

During the three months ended March 31, 2025, there have been no significant changes to our contractual obligations and commitments compared with those disclosed in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our 2024 Annual Report.

## Recently Issued Accounting Standards

See Note 2 to the condensed consolidated financial statements for disclosure of the impact that recent accounting pronouncements may have on the condensed consolidated financial statements.

### **Critical Accounting Policies and Estimates**

During the three months ended March 31, 2025, there have been no significant changes to our critical accounting policies and estimates compared with those disclosed in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our 2024 Annual Report.

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

As of March 31, 2025, no material change had occurred in our market risks, compared with the disclosure in our 2024 Annual Report.

### **Item 4. Controls and Procedures.**

#### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), has evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of the end of the period covered by this report. The term “disclosure controls and procedures” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to management including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosures.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving their desired control objectives. Based on the evaluation of management’s disclosure controls and procedures as of the end of the period covered by this report, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, the disclosure controls and procedures were effective at a reasonable assurance level.

#### **Changes in Internal Control Over Financial Reporting**

During the quarter covered by this report, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We are currently in the process of integrating the Sterling operations, control processes and information systems into our systems and control environment. We believe that we have taken the necessary steps to monitor and maintain appropriate internal controls over financial reporting during this integration.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

Information in response to this Item is included in “Part I — Item 1. — Note 12 — Commitments and Contingencies” and is incorporated by reference into Part II of this Quarterly Report on Form 10-Q.

### Item 1A. Risk Factors.

As of March 31, 2025, no material changes had occurred in our risk factors, compared with the disclosure in our 2024 Annual Report.

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

None

### Item 3. Defaults Upon Senior Securities.

None

### Item 4. Mine Safety Disclosures.

Not applicable

### Item 5. Other Information.

During the three months ended March 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated, or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K), except as described in the table below.

Director/Officer Name	Title	Date of Adoption/Termination	Trading Arrangement		Scheduled Expiration Date of Rule 10b5-1 Trading Plan <sup>(2)</sup>	Aggregate Number of Securities to Be Purchased or Sold
			Rule 10b5-1 <sup>(1)</sup>	Non-Rule 10b5-1		
Joelle Smith	President	Adopted February 28, 2025	X		February 27, 2026	Sale of up to 69,402 shares of common stock in multiple transactions

(1) Intended to satisfy the affirmative defense of Rule 10b5-1(c).

(2) A trading plan may also expire on such earlier date that all transactions under the trading plan are completed.

**Item 6. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
2.1	<a href="#"><u>Agreement and Plan of Merger, dated as of February 28, 2024, by and among First Advantage Corporation, Sterling Check Corp. and Starter Merger Sub, Inc. (incorporated herein by reference to Exhibit 2.1 of First Advantage's Form 8-K filed on March 1, 2024).</u></a>
2.2	<a href="#"><u>Waiver of Brazil Antitrust Filing Obligation and Closing Condition, dated as of March 25, 2024, related to the Agreement and Plan of Merger, dated as of February 28, 2024, by and among First Advantage Corporation, Sterling Check Corp. and Starter Merger Sub, Inc. (incorporated herein by reference to Exhibit 2.2 of First Advantage's Form 10-Q filed on May 9, 2024).</u></a>
3.1	<a href="#"><u>Amended and Restated Certificate of Incorporation of First Advantage Corporation (incorporated herein by reference to Exhibit 3.1 of First Advantage's Form 8-K filed on June 25, 2021).</u></a>
3.2	<a href="#"><u>Amended and Restated Bylaws of First Advantage Corporation (incorporated herein by reference to Exhibit 3.2 of First Advantage's Form 8-K filed on June 25, 2021).</u></a>
10.1	<a href="#"><u>Employment Offer Letter, dated April 6, 2016, between First Advantage Background Services and Steven Marks.</u></a>
10.2	<a href="#"><u>Employment Letter, dated October 19, 2022, between First Advantage Limited and Douglas Nairne.</u></a>
31.1	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2	<a href="#"><u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1	<a href="#"><u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2	<a href="#"><u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

**SIGNATURES**

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

FIRST ADVANTAGE CORPORATION

Date: May 8, 2025

By: \_\_\_\_\_  
/s/ Scott Staples  
**Scott Staples**  
**Chief Executive Officer**  
**(principal executive officer)**

Date: May 8, 2025

By: \_\_\_\_\_  
/s/ Steven Marks  
**Steven Marks**  
**Executive Vice President & Chief Financial Officer**  
**(principal financial officer and principal accounting officer)**



April 6, 2016

Mr. Steven I. Marks  
[ADDRESS]

Dear Steven:

On behalf of First Advantage Background Services (hereafter “the Company”), we would like to offer you the Exempt position of Assistant Controller, reporting to our FADV Corporate Controller. Your first day of employment will be April 28, 2016. Your office location will be at One Concourse Parkway NE, Suite 200, Atlanta, GA, 30328.

**BASE SALARY**

Your starting base salary will be \$5,192.31 payable on a bi-weekly basis (\$135,000 annualized).

**SHORT TERM INCENTIVE**

The board of managers (the “Board”) of the Employer's parent, STG-Fairway Holdings, LLC, has adopted a management financial incentive plan, under which you are eligible to participate with a target award of 20% of your Base Salary (the "Performance Bonus"). Annual performance bonus awards are in the sole discretion of the Board. Performance Bonuses are prorated based on your days of service, and the amount of the bonus will be determined by corporate performance against target business plan objectives and your performance against your annual goals, as established by First Advantage leadership and the Board. The Performance Bonus for each year will be payable following the completion of the Company’s annual financial audit, typically in April each year. Payment for the previous year is subject to your continued employment through the payment date. For 2016, you will be guaranteed a minimum of 50% of your pro forma total amount.

**BENEFITS**

Upon satisfaction of eligibility requirements, you may participate in various benefit plans. For health and welfare insurance benefits, you are eligible to participate in the FADV Benefit plan the first of the month following your start date and you are regularly scheduled to work at least 30 hours a week. Once your Hire Action has processed and uploaded to our Benefit system, you will be sent an email to your FADV email address, which will contain the deadline date along with instructions on how to access the system and elect Benefits under the FADV Benefit Plans. Failure to access the system by the deadline date can and will result in a non-election of benefits and no opportunity to enroll until the next Annual Enrollment period, which usually occurs in November and is effective January 1st of the new year.

In addition, you will be eligible for Leadership Paid Time-Off (LPTO) which generally averages four weeks of vacation at your discretion, holidays, health insurance, 401(k) and other employee benefits under the terms of the existing Company policies, commensurate with other Company employees at the same level as you. You will also receive a Company paid cell phone and laptop.

## GENERAL TERMS

The Immigration Reform and Control Act of 1986 requires that all employers obtain documentation within the first three days of an individual's employment to verify eligibility for employment in the United States. Documentation acceptable by the Immigration and Naturalization Service is listed on the I-9 Employment Verification Instructions. To insure compliance with the Act, please bring original copies of your documentation to the Human Resources Department on your first day of employment. Proof of eligibility to work in the United States is required for employment. Please contact me if you need additional information regarding other documents that may be used to verify employment eligibility.

Please take note that your employment is at-will and is not for any stated or fixed period of time. This means that your employment may be terminated by you or the Company at any time, for any reason with or without cause, and with or without prior notice. This at-will aspect of your employment (which also includes the Company's right to transfer, demote, or change compensation with or without cause or prior notice) may not be modified or rescinded except in an individual written employment agreement to the contrary signed by both you and the business unit president. Furthermore, by accepting employment with the Company, you warrant that you are not bound by the terms of an employment agreement with a third party that would preclude or limit your right to work for the Company. You agree to provide the Company with a copy of any and all agreements with a third party that contain any restrictions or obligations that conflict with, or are inconsistent with, the performance of your duties for the Company.

Please also be advised that the Company respects the confidential information of others and endeavors to comply with all laws regarding the use and protection of trade secret information. The Company takes its obligations in this respect very seriously and expects the same from its employees. As you prepare to terminate your current employment, please ensure that all documents and property belonging to your employer are returned. This includes documents you may have prepared in the course of your employment and documents that may be in your home, on your home computer or in your car. The Company does not want access to any confidential information belonging to your former employer and specifically directs you not to take this information with you or bring onto Company premises.

This letter and the terms and conditions of employment contained herein supersede and replace any prior understandings or discussions between you and the Company regarding your employment. This letter sets forth the complete agreement between you and the Company regarding your employment.

By your signature below, you acknowledge and agree to all of the terms and conditions of this letter. On your start date, you will be asked to review and sign a number of documents including an acknowledgement to comply with the company's policies including non-solicitation restrictions as well as non-disclosure restrictions regarding your obligations with respect to the Company's confidential, proprietary and trade secret information.

Upon your review of the terms and conditions of this offer, please sign and date this letter below, retain a copy for your records and return the original on or before your first day of employment. This offer is valid for five (5) days from the date of this letter.

If any part of this letter is unclear, or if you have any questions or concerns at any time during your employment with us, please do not hesitate to contact Sue Kinsey, Human Resources Director, at [phone number].





Date: 19 October 2022

Mr. Douglas Nairne  
[Address]

Dear Doug,

#### LETTER OF EMPLOYMENT

This Letter of Employment is amends and supersedes the Fixed Term Letter of Employment dated October 8, 2021, the First Amendment dated November 2, 2021 and the Third Amendment dated December 1, 2021.

We would like to offer you the following position with First Advantage Limited (the "Company") on the terms and conditions stated herein ("Agreement") for the benefit of itself and the Group Companies. "Group Company" means the Company and any associated company as defined in section 2 of the Companies Ordinance (Cap. 622).

#### 1. POSITION

You will be appointed as Chief Operating Officer - International with the Company. You will be reporting to Scott Staples, Chief Executive Officer ("Manager"). Your Manager or reporting line may be changed at the discretion of the Company.

#### 2. COMMENCEMENT DATE

The effective date of this agreement shall be 20 October 2022 ("Commencement Date"). However, your service date will be from 20 October 2021 ("Initial Hire Date")

#### 3. PROBATION

You will not be required to undergo a probationary period.

#### 4. PLACE OF WORK

Your primary place of work will be in Hong Kong. The Company may require you to work, either on a temporary or indefinite basis, at any other reasonable alternative location. You agree, upon reasonable notice, to travel both within Hong Kong and overseas for the proper performance of your duties.

#### 5. REMUNERATION

Your remuneration will be as set out in Schedule 1.

#### 6. WORKING HOURS

[FADV.COM](http://FADV.COM)



Your normal working hours are from 0900 to 1800 (with one (1) hour for lunch) Monday through Friday. Your work schedule may be changed by the Company from time to time in accordance with the requirements of the business operations or should circumstances warrant.

## **7. DUTIES & RESPONSIBILITIES**

Other than as disclosed in Schedule 3, during your employment with the Company you agree:

- (a) to devote the whole of your time, attention and skill during working hours to the performance of your duties, to perform all the lawful orders of the Company, to conduct yourself with sobriety and propriety and to discharge your duties for the Company faithfully and to the best of your skill and ability;**
- (b) to conform to such hours of work as may from time to time reasonably be required of you and without entitlement to any additional remuneration for work outside normal working office hours;**
- (c) not to engage in any other employment or business without the prior written consent of the Company;**
- (d) to use all reasonable efforts to promote the interests of the Company;**
- (e) to comply with all laws and regulations applicable to your position and duties;**
- (f) not to accept from any client or supplier of the Company or its associated companies any gift or gratuity (monetary or otherwise) without the prior written consent of the Company, nor to ask for or solicit in any manner any such gift or gratuity; and**
- (g) whether during or after your employment with the Company, not to disparage or make negative statements about the Company or any of its directors, officers, shareholders, employees or representatives that may have the effect of damaging the reputation of the Company.**

## **8. EXPENSES**

The Company will pay or reimburse you for your reasonable expenses exclusively and necessarily incurred by you in the performance of your duties under this Agreement, in accordance with the Company's policies, properly substantiated with receipts or other evidence of actual payment satisfactory to the Company. This clause does not extend to your personal expenses, including travel expenses as a result of your commute between home and work.



## **9. TERMINATION OF EMPLOYMENT**

**9.1 This Agreement may be terminated by either party giving the other party two (2) months prior notice in writing of the termination of this Agreement or by paying to the other party two (2) months' wages in lieu of notice, the last day of your employment under this Agreement being the "Termination Date".**

**9.2 The Company may dismiss you immediately without notice or payment in lieu of notice if you:**

- (a) commit any acts of gross misconduct or any other material or serious breach of your obligations under this agreement; or**
- (b) are convicted of any criminal offence; or**
- (c) commit any act of fraud or dishonesty; or**
- (d) are seriously or habitually neglectful or negligent in connection with the performance of your duties or in connection with the business or affairs of the Company; or**
- (e) discriminate against, harass, bully or victimize another person; or**
- (f) are guilty of conduct which brings or might bring the Company into disrepute; or**
- (g) are employed by or engaged in another business without the Company's prior approval; or**
- (h) become bankrupt or make any arrangement or composition with your creditors generally; or**
- (i) become of unsound mind; or**
- (j) are addicted to or are habitually under the influence of alcohol or any drug (not being a drug prescribed for you by a registered medical practitioner for the treatment of a condition other than drug addiction), the possession of which is controlled by law; or**
- (k) commit any other act or omission which would entitle the Company to terminate this Agreement without notice under common law.**

## **10. GARDEN LEAVE**

**10.1 If you or the Company give notice to terminate your employment, the Company may place you on "Garden Leave" meaning the Company may require you:**

- (a) not to enter or attend the premises of the Company or any Group Company;**



- (b) not to contact or have communication with clients or customers, prospective clients or customers, employees, contractors, investors, suppliers, distributors, shareholders, agents, representatives or other business contacts of the Company or any Group Company;**
- (c) to remain available to be called upon during your normal working hours;**
- (d) not to carry out your job duties;**
- (e) not to take up employment with any other organisation; and**
- (f) not to be engaged in any activity which may conflict with your ongoing obligations to the Company.**

**10.2 During any Garden Leave period, you will be entitled to receive your usual salary and benefits, and all your duties to the Company including your duties of fidelity, good faith, confidentiality and exclusive service will remain in force.**

#### **11. LEAVE OF ABSENCE / SUSPENSION**

**The Company reserves the right to suspend you from your job duties or to place you on a leave of absence for a reasonable period during but no longer than 30 days and/or after any investigation or at any time during your employment, whether paid or unpaid, in accordance with applicable laws. During any period of leave of absence, the Company will not be obliged to provide you with work and you will be forbidden from contacting any clients, suppliers, representatives or employees of the Company during this period except where authorised in writing by the Company.**

#### **12. CONFIDENTIALITY**

**12.1 You shall not, without the prior written consent of the Company, disclose to any person, firm or corporation the terms of this Agreement except:**

- (a) to your own professional advisors advising you on your rights and obligations under this Agreement; or**
- (b) as required under this Agreement; or**
- (c) as required by applicable laws.**

**12.2 At all times during your employment and after its termination without limitation of period, you agree:**

- (a) to keep secret any Confidential Information coming to your knowledge during your employment;**



- (b) not to use the Confidential Information for any purpose other than for the benefit of the Company; and**
- (c) not to disclose the Confidential Information to a third party except in the course of properly performing your duties under this Agreement; and**
- (d) to use your best endeavours to prevent any unauthorised of the Confidential Information.**

**12.3 The restrictions contained in Clause 12 do not apply to:**

- (a) any disclosure or use authorised by the Company, required in the ordinary and proper course of the employment, or required to comply with an order of a court of competent jurisdiction or by a tribunal or regulatory authority; or**
- (b) any information which you can demonstrate was known to you prior to the commencement of the employment; or is in the public domain otherwise than as a result of a breach of this Agreement.**

**12.4 You shall not during the continuance of this Agreement make, otherwise than for the benefit of the Company, any notes or memoranda relating to any matter within the scope of the business of the Company or concerning any of its dealings or affairs nor shall you either during the continuance of the Agreement or afterwards use or permit to be used any such notes or memoranda otherwise than for the benefit of the Company, it being the intention of the parties hereto that all such notes or memoranda made by you shall be the property of the Company and left at the place of employment upon the Termination Date.**

**12.5 "Confidential Information" includes, but is not limited to, information which relates to the Company or any Group Company or any of their respective business partners, employees, clients, investors, representatives, consultants or suppliers, whether or not that information is recorded in documentary form or in soft copy or on storage media or on a database or in any other format, which is given to you in confidence or which is of a confidential nature or which is reasonably regarded by the Company as being confidential or a trade secret given its nature or the circumstances surrounding its disclosure, such as information concerning the business, business performance, prospective business, finances, accounts, projections, targets, budgets, plans, systems, processes, techniques, know-how, client or customer lists, suppliers, business partners, contractors, customer data (including customer preferences, or actual or anticipated needs), price sensitive information, software models or schemas, technical information or data, reports, interpretations, forecasts, records, remuneration, fees, commissions, personnel details, products, planned products, services, planned services, designs, formulae, source and object codes, research, developmental or experimental work, improvements, discoveries, marketing surveys, statistics, credit card information, pricing policies and information, computer passwords, contact information and customer service requirements.**



### **13.REQUIREMENTS FOLLOWING TERMINATION**

**13.1 If your employment is terminated for any reason, or if requested by the Company at any time, you agree to:**

- (a) deliver to the Company all Confidential Information in your possession or control;**
- (b) return any software, hardware, books, manuals, portable laptop, printer, office equipment, accessories, keys, security passes, credit cards, mobile phones, company car (if any) and any other property of the Group which may be in your possession, custody or control;**
- (c) not retain or to delete if instructed by the Company any documents and materials (including any copies) and any software applications relating to the business of the Company or any Group Company stored on any magnetic or optical disc or memory and all matter derived from those items which are in your possession, custody or control outside the Company premises (including your personal devices, if applicable). If this cannot be achieved remotely, you agree to provide full cooperation to the Company in enabling it to remove the software and/or Confidential Information from your device;**
- (d) notify the Company of all passwords and encryption codes used by you in relation to any document produced or processed by you in the course of your employment, or in respect of any equipment belonging to the Company or any Group Company;**
- (e) refrain from using any name used by the Company or any Group Company which is likely to cause confusion to the public about whether it is associated with the Company or any Group Company;**
- (f) refrain from representing yourself, at any time after the Termination Date, as still being in any way connected with the Company or any Group Company; and**
- (g) provide to the Company a signed statement, whenever requested, confirming that you have fully complied with your obligations under this Clause.**

**13.2 You also agree to return to the Company immediately any such property that may come into your possession or control after the Termination Date.**

**13.3 You agree that you will, before and after the Termination Date, co-operate with the Company or any Group Company for whom you performed duties by providing any reasonable assistance as may be required in connection with:**

- (a) the transfer of your duties to another person; and**
- (b) any claim made by or against the Company or any Group Company (or any successor in business) where it considers that you have knowledge which is relevant to that claim.**



#### **14. NON-COMPETITION**

**14.1 You will not directly or indirectly, whether or not in pursuit of pecuniary reward, for a period of three (3) months following the Termination Date be engaged on your own account or in the capacity of employee, officer, director, shareholder, consultant, adviser, partner, principal, agent or in any other capacity in providing the Restricted Services and/or the Restricted Proposed Services for any person, firm, organisation or company which carries on any business or venture in the Restricted Territory which:**

- (a) is or is about to be in competition with any of the businesses, business activities and business services with which you have been concerned or involved to any material extent during the Relevant Period in the performance of duties under this Agreement, or in relation to which you possess Confidential Information at the time of Termination Date; or**
- (b) requires or might reasonably be thought by the Company to require you to disclose or make use of any Confidential Information in order to properly discharge your duties to or to further your interest in that business or venture.**

**14.2 You will not directly or indirectly for six (6) months after the Termination Date hold, whether jointly or alone, 25% or more of the voting rights of a company that carries on any business or venture which:**

- (a) Is or is about to be in competition with any of the businesses, business activities and business services with which you have been concerned or involved to any material extent during the Relevant Period or in relation to which you possess Confidential Information at the Termination Date; or**
- (b) requires or might reasonably be thought by the Company to require you to disclose or make use of any Confidential Information in order to properly discharge your duties or to further your interest in that business or venture.**

**14.3 You will not directly or indirectly, whether or not in pursuit of pecuniary reward and whether on your own behalf or on behalf of another person, firm, organisation or company:**

**for a period of six (6) months following the Termination Date:**

- (a) accept, seek, canvass or solicit from any Restricted Person any business, orders or custom for any Restricted Services to be provided within the Restricted Territory;**
- (b) accept, seek, canvass or solicit any business, orders or custom for any Restricted Proposed Services to be provided within the Restricted Territory from any Restricted Person;**
- (c) accept, seek, canvass or solicit from any Restricted Contact any business, orders or custom for any Restricted Services to be provided within the Restricted Territory;**



- (d) accept, seek, canvass or solicit from any Restricted Contact any business, orders or custom for any Restricted Proposed Services to be provided within the Restricted Territory;**
- (e) solicit or entice away or seek to entice away from the Company or hire any person employed or engaged by the Company in a senior managerial, technical, supervisory, sales or marketing capacity, or who by reason of such employment or engagement is likely to have knowledge of any trade secrets or Confidential Information of the Company, and was a person with whom you dealt during the Relevant Period in the course of your duties; and**

**at any time after the Termination Date:**

- (a) induce or seek to induce by any means involving the disclosure or use of Confidential Information any Restricted Person or Restricted Contact to cease dealing with the Company or any Group Company or to restrict or vary the terms upon which it deals with the Company or any Group Company;**
- (b) be held out or represented by you or any other person, as being in any way connected with or interested in the Company; or**
- (c) disclose to any person, or make use of any Confidential Information.**

**14.4 The Company may require you to provide evidence confirming to its satisfaction that you are not in breach of any part of this Clause 14.**

**14.5 The Company and you acknowledge that each restriction specified in this Clause 14 is reasonable and necessary to protect the Company's legitimate interests.**

**14.6 Each restriction in this Clause 14 is intended to be separate and severable. If any of these are found to be void, but would be valid if some portion were deleted, then such portions will apply with such modifications as may be necessary to make them valid or effective.**

**14.7 "Relevant Period" means the 12-month period prior to the Termination Date.**

**"Restricted Contact" means any person, firm or company with whom or with which you have dealt, or of whom or of which you have knowledge, by virtue of the duties in the Relevant Period and who or which will, during the Relevant Period or at the Termination Date be negotiating with or be in material discussions with the Company for the supply of Restricted Services or Restricted Proposed Services.**

**"Restricted Person" means any person, firm or company with whom or with which you have dealt, or of whom or of which you have knowledge, by virtue of your duties in the Relevant Period and to whom or to which the Company at any time during the Relevant Period has supplied any Restricted Services.**



**"Restricted Territory"** means any geographic area in which the Company provided the Restricted Services during the Relevant Period.

**"Restricted Proposed Services"** mean any services which are, at the Termination Date, proposed to be provided by the Company or any Group Company at any time during the six (6) months following the Termination Date and in respect of which or the marketing of which your duties were directly concerned or for which you were responsible or materially involved during the Relevant Period or in relation to which you possess Confidential Information at the Termination Date.

**"Restricted Services"** mean any services of a kind which have been provided by the Company or any Group Company in the ordinary course of the business at any time during the Relevant Period and in respect of which or the marketing of which your duties were directly concerned or for which you were responsible or materially involved during the Relevant Period or in relation to which you possess Confidential Information at the Termination Date.

## **15. INTELLECTUAL PROPERTY AND MORAL RIGHTS**

**15.1** You will immediately disclose to the Company all IP Rights directly or indirectly created by you (or communicated to you by any other employee of the Company or any Group Company) during your employment. This obligation will apply in respect of all IP Rights created during your employment, whether created in the course of the employment, or otherwise.

**15.2** You, as beneficial owner, will assign to the Company (insofar as title to them does not automatically vest in the Company as a consequence of the employment) by way of future assignment:

- (a)** all copyrights arising in any original material produced by you during and in the course of your employment by the Company (whether during the normal hours of work of the Company or otherwise or at the premises or using the facilities of the Company or otherwise);
- (b)** the exclusive right to grant licences to and authorise others to do any and all acts restricted by the Patents Ordinance (Cap. 514) or the Copyright Ordinance (Cap. 528) in relation to such material in Hong Kong, together with copyright in all other countries of the world (and any similar rights in countries where such rights exist),

for the whole term of such copyrights including any extensions or renewals of such rights.

**15.3** You will also assign to the Company the sole and absolute right to sue for damages and other remedies in respect of any infringements of the copyrights in such material or for conversion of infringing copies of the material.



**15.4 You waive all Moral Rights in respect of any acts of the Company or any acts of third parties done with the Company's authority in relation to any IP Rights which are the property of the Company by virtue of this Clause 15, and this waiver will extend to the licensees and successors in title to the IP Rights.**

**15.5 You will, at the expense of the Company, promptly execute and do all acts, matters, documents and things necessary to enable the Company or its nominee to apply for and obtain all applicable IP Rights in any countries relating to the materials produced by you during and in the course of the employment as the Company may direct.**

**15.6 You irrevocably and by way of security appoint the Company as your attorney in your stead to do all such things and execute all such documents as may be necessary or incidental to grant to the Company the full benefit of this Clause 15.**

**15.7 All rights and obligations under this Clause 15 will continue in full force and effect after the Termination Date and will be binding upon your personal representatives.**

**15.8 "IP Rights" refer to any material information and documents in respect of any concept, idea, invention, improvement, design, copyright or other intellectual property rights of any nature whatsoever.**

**"Moral Rights" refer to any and all rights conferred by Division IV Part II of the Copyright Ordinance (Cap. 528).**

## **16. COMPUTERS AND ELECTRONIC COMMUNICATIONS**

**16.1 You consent to the Company:**

- (a) checking, recording and reviewing telephone calls, computer files, records and e-mails and any other form of electronic communication or internet activity; and**
- (b) conducting any other compliance, security or risk analysis checks the Company considers reasonably necessary on any Company-owned device in accordance with the Personal Data (Privacy) Ordinance (Cap. 486).**

**16.2 You will not attempt, alone or with others, to gain access to data or programs to which you have not been authorised to gain access.**

**16.3 You will not, except for the performance of your duties in respect of the employment:**

- (a) load any program into any computer via disk, typing, electronic data transfer or any other means;**



- (b) use or insert into any computer any magnetic or optical disk or memory, removable hard drive, or any other device for the storage and transfer of data or programs;**
- (c) use any link to access any other computer or bulletin board or information service;  
download any file via a link or any other device;**
- (d) connect any piece of computer equipment to any network or other item of computer equipment; or**
- (e) use your personal computer or telecommunications equipment for storing or processing of Confidential Information or send Confidential Information via e- mail, the internet, cloud computing or by other means of external communication which are known not to be secure.**

**16.4 You will not use social networking resources to post offensive, obscene, or criminal material or any other material which is liable to cause embarrassment to any Group Company or to its clients.**

**16.5 You will not download any pornographic or any other offensive material or directly or indirectly through others use pirated software, or copy the pirated software in the Company's computers and you further indemnify the Company during and after the employment against all liability resulting from any breach of this Clause 16.5.**

#### **17. BRIBERY AND CORRUPTION**

**You must comply with all applicable anti-bribery and corruption legislation, including the Prevention of Bribery Ordinance (Cap. 201), as well as the Company's policies on anti-bribery and corruption as updated and amended from time to time.**

#### **18. AGENCY**

**You acknowledge and agree that:**

- (a) Clauses 12, 14 and 15 are agreed jointly and severally with the Company and all Group Companies;**
- (b) all Group Companies take the benefit (including the right of enforcement against you) of Clauses 12, 14 and 15 collectively and individually; and**
- (c) the Company has signed this Agreement as agent on behalf of all Group Companies for the purposes of Clauses 12, 14 and 15.**



## **19.COMPLIANCE**

**Your employment is contingent upon:**

- (a) your continued right to work in Hong Kong and compliance with immigration requirements;**
- (b) your maintenance of any qualifications, licences and good standing required for you to perform your duties under this Agreement;**
- (c) your compliance with any regulatory or legal requirements deemed appropriate or necessary by the Company for the performance of your role; and**
- (d) your compliance with the Company's policies, processes, handbook, Code of Conduct, instructions and rules as may be issued or published by the Company and as may be amended from time to time.**

## **20.REPRESENTATIONS AND WARRANTIES**

**You represent and warrant that you have not taken or otherwise misappropriated, and you do not have in your possession or control, any improperly obtained confidential and proprietary information belonging to any of your prior employers or connected with or derived from your services to prior employers. You further acknowledge that the Company has informed you that you are not to use or cause the use of such confidential or proprietary information from your former company in any manner whatsoever in connection with your employment by the Company or work or service for the Company's affiliates. You agree that you will not use such information. You represent that you are not currently a party to any pending or threatened litigation with any former employer or business associate. You shall indemnify and hold harmless the Company from any and all claims arising from any of your breach of the representations and warranties in this paragraph.**

## **21.THIRD PARTY RIGHTS**

**Except as expressly provided elsewhere in this Agreement, a person who is not a party to this Agreement will have no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce any term of this Agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Ordinance.**

## **22.VARIATION**

**The Company reserves the right to vary any of the terms and conditions of this Agreement at any time in its reasonable discretion.**



### **23.SEVERABILITY**

**Part or all of any clause of this Agreement that is illegal or unenforceable will be deemed severed from this Agreement and the remaining provisions will remain in full force and effect.**

### **24.WAIVER**

**The waiver by the Company of any breach of any term of this Agreement will not prevent the subsequent enforcement of that term and will not be deemed a waiver of any subsequent breach.**

### **25.DATA PRIVACY**

**The Company holds, and will continue to collect, information about you for a number of purposes connected with your employment; for example, for payroll operations and the administration of employee benefits. You hereby consent to personal data held about you by the Company being lawfully and fairly processed by the Company, which may include information being transmitted outside Hong Kong. You further consent to sign the Personal Information Collection Statement attached as Schedule 2 to this Agreement.**

### **26.COUNTERPARTS**

**This Agreement may be executed in counterparts.**

### **27.GOVERNING LAW AND JURISDICTION**

**The terms of this Agreement will be governed by and construed in all respects in accordance with the laws of the Hong Kong Special Administrative Region and the parties irrevocably submit to the exclusive jurisdiction of the courts and tribunals of the Hong Kong Special Administrative Region.**



If the above terms of employment are acceptable to you, please sign and return a copy of this Agreement, together with signed Schedules 1 and 2, to me by October 25, 2022.

In anticipation of your acceptance, we look forward to welcoming you to First Advantage Limited.

Yours sincerely,

/s/ Bret Jardine  
Bret Jardine  
EVP, General Counsel, Director  
First Advantage Limited

Noted by:

/s/ Michael Pilnick  
Michael Pilnick  
EVP, Human Resources, APAC  
First Advantage Corporation

**Acknowledgement:**

I have read, understood and agreed to the terms and conditions stated in this Agreement.

/s/ Douglas Nairne  
Name: Douglas Nairne  
HKID No.

10/20/2022  
Date:

**SCHEDULE 1  
REMUNERATION AND BENEFITS**

**NAME OF EMPLOYEE:** Douglas Nairne  
**HONG KONG ID Number:**

**SALARY**

Your Base Salary is the Hong Kong dollar equivalent of USD325,000 per annum paid in 12 monthly instalments of USD 27,082.34.

The Base Salary will begin to accrue on and from the date of commencement and will be paid by autopay in Hong Kong dollars into your nominated bank account at the end of each month.

**PERFORMANCE BONUS**

First Advantage has adopted a discretionary management financial incentive plan, under which you are eligible to participate with a target award of 50% of your Base Salary (the "Performance Bonus"). Annual performance bonus opportunities are in the sole discretion of the Company. The Performance Bonus opportunity for the current year is prorated based on your days of service, and the amount of the bonus will be determined by corporate performance against target business plan objectives and your performance against your annual goals, as established by First Advantage leadership. If payable, the Performance Bonus for each year will be paid following the completion of the Company's annual financial audit, typically completed in the second quarter each year. Payment for the previous year is subject to your continued employment through the payment date.

**EQUITY**

You have received equity appropriate for level and position. You may be eligible to receive additional grants at a future date.

**ANNUAL LEAVE**

You will be entitled to 20 days of paid annual leave for any 12-month period of employment, pro-rated for any incomplete year.

For annual leave in excess of the minimum statutory entitlement, the Company may grant annual leave on a pro-rata basis during the year in which it accrues or in advance. Any annual leave taken will first be applied against any statutory annual leave entitlement.

All annual leave in excess of the minimum statutory entitlement must be used during the annual leave year and will be forfeited if not taken by the end of the annual leave year. You are not entitled to carry forward any annual leave in excess of the statutory minimum entitlement without your Manager's prior written authorisation.



All annual leave must be taken at a time that is reasonable and convenient to the Company. If, upon the Termination Date, you have not taken all of your accrued entitlement for the annual

leave year, you will be paid in lieu of the outstanding statutory annual leave only. If you have taken more than your accrued entitlement, a deduction will be made from your final salary or any other sum owing to you equal to the number of days of excess annual leave taken.

You may be required to use untaken annual leave in excess of the minimum statutory entitlement during any period of notice.

#### **REST DAY**

You will be entitled to one designated rest day in every 7 days in accordance with the Employment Ordinance (Cap. 57). Your designated rest day will be Sunday and will be paid.

#### **ALLOWANCES**

You will be entitled to an annual housing and car annual allowances. These allowances will be paid on a monthly basis along with regularly scheduled payroll in accordance with Hong Kong regulations.

- Housing allowance - USD \$56,000
- Car allowance - USD \$8,000
- Education allowance - USD \$12,000

#### **SICKNESS ALLOWANCE**

You are entitled to sickness allowance in accordance with the provisions of the Employment Ordinance (Cap. 57). Any additional benefits beyond the minimum statutory requirements remain at the Company's absolute and sole discretion.

If you are absent from work for a period of 3 days you must provide your Manager with a leave application form and a valid medical certificate issued by a registered medical practitioner or registered dentist to cover the period of absence. Any sickness leave taken without the support of a valid medical certificate will be deemed to be unpaid absence leave. Any paid sickness leave taken by you will be deducted from the sickness day credits accumulated by you.

The Company reserves the right to require you to attend a medical examination by a doctor nominated by the Company, at the Company's expense, in situations of frequent or prolonged absence from work due to injury or ill health, or where a medical condition may be aggravated by the nature of the work undertaken, or where there is a potential risk to you or your colleagues. You agree that the results of such examination may be made available to the Company.



**MEDICAL INSURANCE**

You will be provided with medical insurance for yourself, spouse and minor dependents, subject to acceptance by the Company's insurer.

**MANDATORY PROVIDENT FUND SCHEME**

The Company will make mandatory contributions to a Mandatory Provident Fund Scheme subject to the provisions of the Mandatory Provident Fund Schemes Ordinance (Cap. 485). The required employee contributions will be deducted from your monthly remuneration in accordance with the Mandatory Provident Fund Schemes Ordinance (Cap. 485).

**Acknowledgement:**

I have read, understood and agreed to the terms and conditions stated in this Agreement .

/s/ Douglas Nairne  
Name: Douglas Nairne  
HKID No.

10/20/2022  
Date:



## **SCHEDULE 2**

### **PERSONAL INFORMATION COLLECTION STATEMENT**

Your privacy is important to First Advantage Limited ("Company").

Throughout the course of your employment with the Company, the Company needs to collect personal data from you and about you. The type of information that may be collected includes (but is not limited to):

- **Recruitment, engagement or training records;**
- **Information about your medical condition;**
- **Information regarding termination of employment;**
- **Terms and conditions of employment;**
- **Personal and emergency contact details;**
- **Performance, conduct and disciplinary records;**
- **Remuneration details, bonus and share plan information;**
- **Membership of professional associations or trade unions;**
- **Leave records (including annual leave, sick leave and maternity leave);**
- **Taxation, banking and mandatory provident fund details;**
- **Health and safety information;**
- **Any other information that you provide to the Company.**

The purposes for which the Company collects this data is for use concerning your employment or working relationship with the Company and for various human resources, management and reporting purposes and for various legal and security purposes.

The Company may from time to time transfer your personal data to the following classes of persons (within or outside Hong Kong), including but not limited to:

- **an associated company (as defined in section 2 of the Companies Ordinance (Cap. 622));**
- **the Company's insurers and banks;**
- **medical practitioners appointed by the Company;**



- administrator of the Company's mandatory provident fund scheme;
- outside parties involved in a merger, acquisition or due diligence exercise;
- parties involved in a dispute, litigation, investigation, proceedings or enquiry;
- companies or third party service providers the Company engages to perform the functions listed above on the Company's behalf;
- applicable regulators, governmental bodies, tax authorities or other industry recognised bodies located inside or outside Hong Kong as required by any applicable law, rules and regulations, codes of practice or guidelines of any applicable jurisdiction or any governmental or regulatory authority in or outside Hong Kong; and
- anyone you authorise.

If you do not provide complete and accurate personal data to the Company as and when it is required, there may be potentially serious consequences for you and, depending on the circumstances, your future employment relationship with the Company.

It is the Company's policy to retain certain personal data of employees when they cease to be employed. This data may be required for any residual employment-related activities, including for example, provision of references, processing of applications for re-employment, matters relating to retirement benefits and allowing the Company to fulfil any of the Company's contractual or statutory obligations.

To the extent applicable law allows, you may request access to, and correction of, your personal data in relation to your employment. For any further information, please contact Eva Gong.



**SCHEDULE 3**

**[omitted]**

**FADV.COM**

Unit 1001, 10/F., 88 Hing Fat Street, Causeway Bay, Hong Kong  
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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of First Advantage Corporation (the "Company") for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

Date: May 8, 2025

By: \_\_\_\_\_ /s/ Scott Staples  
**Scott Staples**  
**Chief Executive Officer**  
**(principal executive officer)**

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

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

In connection with the Quarterly Report on Form 10-Q of First Advantage Corporation (the "Company") for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

Date: May 8, 2025

By: \_\_\_\_\_ /s/ Steven Marks  
**Steven Marks**  
**Executive Vice President & Chief Financial Officer**  
**(principal financial officer)**

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

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