As filed with the Securities and Exchange Commission on November 8, 2021

Registration No. 333-

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

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

First Advantage Corporation
(Exact name of registrant as specified in its charter)

Delaware	**7374**	**84-3884690**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

1 Concourse Parkway NE, Suite 200
Atlanta, Georgia 30328
(888) 314-9761
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Bret T. Jardine
Executive Vice President, General Counsel
First Advantage Corporation
1 Concourse Parkway NE, Suite 200
Atlanta, Georgia 30328
(888) 314-9761
(Name, address, including zip code, and telephone number, including area code, of registrant's agent for service)

With copies to:

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

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)**	**Proposed Maximum Aggregate Offering Price Per Share(2)**	**Proposed Maximum Aggregate Offering Price(1)(2)**	**Amount of Registration Fee**
Common Stock, $0.001 par value per share	17,250,000	$18.9975	$327,706,875	$30,379

(1) Includes 2,250,000 shares of common stock that the underwriters have the option to purchase. See "Underwriting."

(2) Estimated solely for the purpose of determining the amount of the registration fee in accordance with Rule 457(c) promulgated under the Securities Act of 1933, as amended. The proposed maximum offering price per share and proposed maximum aggregate offering price are based on the average of the high and low sales prices of the Registrant's common stock as reported on the Nasdaq Global Select Market on November 1, 2021.

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

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities nor a solicitation of an offer to buy these securities in any jurisdiction where the offer and sale is not permitted.

Subject to completion, dated November 8, 2021

Preliminary Prospectus

15,000,000 Shares

FIRST ADVANTAGE CORPORATION

Common Stock

The selling stockholders named in this prospectus, including members of management, are offering 15,000,000 shares of common stock. We will not be selling any shares in this offering and we will not receive any proceeds from the sale of our common stock by the selling stockholders.

Our common stock is listed on the Nasdaq Global Select Market ("Nasdaq"), under the symbol "FA." On November 5, 2021, the closing sales price of our common stock as reported on Nasdaq was $21.05 per share.

We are an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act of 1933, as amended (the "Securities Act"), and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings. Following this offering and the in-kind distribution by Silver Lake, as we refer to these investors in this prospectus, of certain shares of our common stock held by it following the closing of this offering, Silver Lake will control 60.7% (or 58.9% if the underwriters exercise in full their option to purchase additional shares of our common stock) of the voting power of our shares eligible to vote in the election of our directors. As a result, we qualify as a "controlled company" within the meaning of the corporate governance standards of Nasdaq, but we do not currently avail ourselves of the related exemptions from certain corporate governance requirements. See "Management—Controlled Company Exemption."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 20 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission (the "SEC"), nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per share	Total
Public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds, before expenses, to the selling stockholders	$	$

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

To the extent that the underwriters sell more than 15,000,000 shares of our common stock, the underwriters have the option, for a period of 30 days from the date of this prospectus, to purchase up to 2,250,000 additional shares of common stock from the selling stockholders. We will not receive any proceeds from the sale of our common stock by the selling stockholders pursuant to any exercise of the underwriters' option to purchase additional shares.

The underwriters expect to deliver the shares against payment in New York, New York on or about , 2021.

Barclays **BofA Securities**

Citigroup **Evercore ISI** **Jefferies** **RBC Capital Markets** **Stifel** **HSBC**

Citizens Capital Markets **KKR** **MUFG** **Loop Capital Markets** **R. Seelaus & Co., LLC** **Ramirez & Co., Inc.** **Roberts & Ryan**

, 2021

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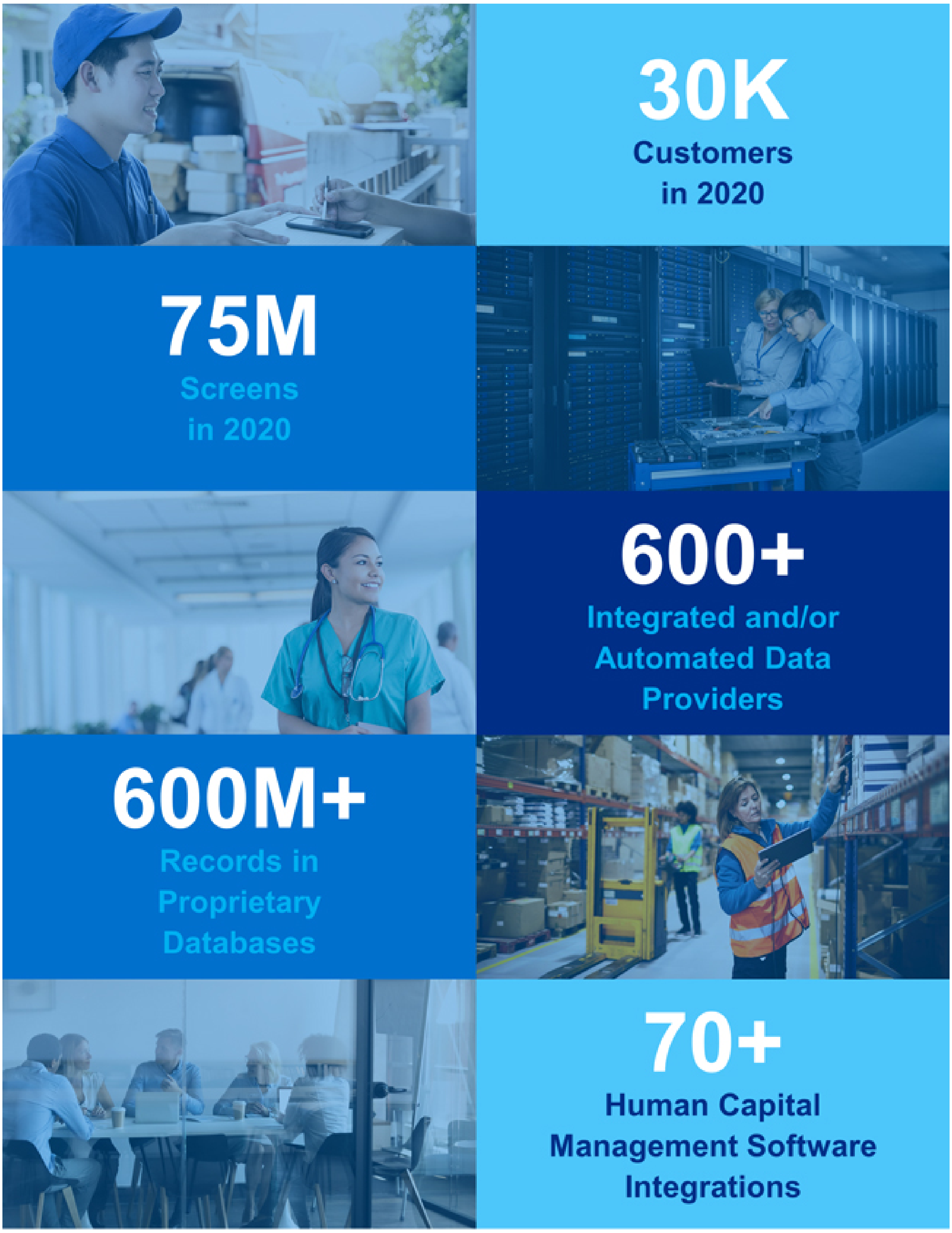

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You should rely only on the information contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. None of us, the selling stockholders or the underwriters have authorized anyone to provide you with different information. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus, or any free writing prospectus, as the case may be, or any sale of shares of our common stock.

For investors outside the United States: the selling stockholders and the underwriters are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. None of us, the selling stockholders or the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

INDUSTRY AND MARKET DATA

This prospectus contains information and statistics that we have obtained from various independent third-party sources, including independent industry publications, reports by market research firms, and other independent sources. This prospectus also contains information from a survey commissioned by us and conducted by Stax Inc. ("Stax"), a global management consulting firm, in March 2021 to provide information on our market. Certain data and other information contained in this prospectus, including information with respect to our market position, are also based on management's estimates and calculations, which are derived from our review and interpretation of internal surveys and third-party sources. Data regarding the industries in which we compete and our market position and market share within these industries are inherently imprecise, require the making of certain assumptions and are subject to significant business, economic and competitive uncertainties beyond our control, but we believe they generally indicate size, position and market share within these industries. Statements regarding the Company's leading position are based on market share as calculated by revenue. While we believe such information is reliable, we have not independently verified any third-party information and our internal data has not been verified by any independent source. While we believe our internal company research and estimates are reliable, such research and estimates have not been verified by any independent source. In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates. See "Forward-Looking Statements." As a result, you should be aware that market, ranking, and other similar industry data included in this prospectus, and estimates and beliefs based on that data may not be reliable. None of us, the selling stockholders and the underwriters can guarantee the accuracy or completeness of any such information contained in this prospectus.

TRADEMARKS, SERVICE MARKS, AND TRADENAMES

We own a number of registered and common law trademarks and pending applications for trademark registrations in the United States and other countries, including, for example: First Advantage, Profile Advantage, Enterprise Advantage, Insight Advantage, Verified!, HEAL, RoadReady, and Residential Advantage, among others. Unless otherwise indicated, all trademarks, tradenames, and service marks appearing in this prospectus are proprietary to us, our affiliates, and/or licensors. This prospectus also contains trademarks, tradenames, and service marks of other companies, which are the property of their respective owners. Solely for convenience, the trademarks, tradenames, and service marks referred to in this prospectus may appear without the ® and ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, tradenames, and service marks. We do not intend our use or display of other parties' trademarks, tradenames, or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

BASIS OF PRESENTATION

The following terms are used in this prospectus unless otherwise noted or indicated by the context:

- "Enterprise customers" means our customers who contribute $500,000 or more to our revenues in a calendar year;
- "First Advantage," the "Company," "we," "us," and "our" mean the business of First Advantage Corporation and its subsidiaries;
- "Follow-On Offering" means the sale of 15,000,000 shares of common stock by selling stockholders in this offering;

- "gross retention rate" for the current year is a percentage, where the numerator is prior year revenues less the revenue impact of lost accounts; the denominator is prior year revenues. We calculate the revenue impact of lost accounts as the difference between the customer's current year and prior year revenues for the months after which they are identified as lost. Therefore, the attrition impact of customers lost in the current year may be partially captured in both the current and following years' retention rates depending on what point during the year they are lost. Our retention rate does not factor in revenue impact, whether growth or decline, attributable to existing customers or the incremental revenue impact of new customers;
- "IPO" means the initial public offering of our common stock, which closed on June 25, 2021;
- "IPO Transactions" refers to the sale by the Company of 22,856,250 shares of common stock in the IPO at the initial public offering price of $15.00 per share for aggregate net proceeds of $316.5 million (after deducting the underwriting discounts and commissions and estimated offering expenses payable by the Company in connection therewith) and the application of the net proceeds to repay $200.0 million of borrowings under its term loan facility and the remainder for general corporate purposes;
- "pro forma" or "pro forma basis" means (i) giving effect to the Transactions with respect to the year ended December 31, 2020 and the nine months ended September 30, 2020 and (ii) giving effect to the IPO Transactions, this Follow-On Offering, and the SLP Distribution with respect to the nine months ended September 30, 2021, in each case, as further described in "Unaudited Pro Forma Consolidated Financial Information";
- "Silver Lake" or "Sponsor" means Silver Lake Group, L.L.C., together with its affiliated entities, successors and assignees;
- "SLP Distribution" means the in-kind distribution of 4,659,403 shares of our common stock held by SLP Fastball Aggregator, L.P. to its direct and indirect equityholders (or 5,358,537 shares if the underwriters' option to purchase additional shares of our common stock is exercised in full). The number of shares to be distributed is based upon an assumed offering price of $21.05 per share, which is the closing sales price of our common stock as reported on Nasdaq on November 5, 2021, less estimated underwriters' discounts and commissions. The SLP Distribution is expected to occur following the closing of this Follow-On Offering. A $1.00 increase or decrease in the assumed offering price would result in an increase of 76,674 shares or a decrease of 86,386 shares, respectively, of our common stock to be distributed in the SLP Distribution; and
- "Transactions" refers, collectively, to (i) the Silver Lake Transaction (as further described below); (ii) the Silver Lake Transaction Refinancing (as described in "Unaudited Pro Forma Consolidated Financial Information"); (iii) the IPO Transactions, (iv) this Follow-On Offering, and (v) the SLP Distribution.

On January 31, 2020, Silver Lake acquired substantially all of the equity interests of the Company from Symphony Technology Group ("STG") pursuant to an Agreement and Plan of Merger, dated as of November 19, 2019 (the "Silver Lake Transaction"). For the purposes of the consolidated financial data included in this prospectus, periods on or prior to January 31, 2020 reflect the financial position, results of operations, and cash flows of the Company and its consolidated subsidiaries prior to the Silver Lake Transaction, referred to herein as the Predecessor, and periods beginning after January 31, 2020 reflect the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries as a result of the Silver Lake Transaction, referred to herein as the Successor. As a result of the Silver Lake Transaction, the results of operations and financial position of the Predecessor and Successor are not directly comparable.

Numerical figures included in this prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

NON-GAAP FINANCIAL MEASURES

This prospectus contains "non-GAAP financial measures" that are financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP").

We believe Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted Earnings Per Share 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 these measures 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 other 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.

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted Earnings Per Share are not recognized terms under GAAP and should not be considered as an alternative to net income (loss) or earnings per share as a measure of financial performance or any other performance measure derived in accordance with GAAP. 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.

For a discussion of the use of these measures and a reconciliation of the most directly comparable GAAP measures, see "Summary—Summary Historical and Pro Forma Consolidated Financial and Other Data."

SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before deciding to invest in our common stock. You should read the entire prospectus carefully, including "Risk Factors" and our consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties.

Our Company

First Advantage is a leading global provider of technology solutions for screening, verifications, safety, and compliance related to human capital. We deliver innovative solutions and insights that help our customers manage risk and hire the best talent. Enabled by our proprietary technology platform, our products and solutions help companies protect their brands and provide safer environments for their customers and their most important resources: employees, contractors, contingent workers, tenants, and drivers.

We manage one of the earliest and most important interactions between an applicant and our customer. Indeed, most applicants view their screening experience as a reflection of the hiring organization and its overall onboarding process. Our comprehensive product suite includes Criminal Background Checks, Drug / Health Screening, Extended Workforce Screening, Biometrics & Identity, Education / Work Verifications, Resident Screening, Fleet / Driver Compliance, Executive Screening, Data Analytics, Continuous Monitoring, Social Media Monitoring, and Hiring Tax Incentives. We derive a substantial majority of our revenues from pre-onboarding screening and perform screening in over 200 countries and territories, enabling us to serve as a one-stop-shop provider to both multinational companies and growth companies. In 2020, we performed over 75 million screens on behalf of more than 30,000 customers spanning the globe and all major industry verticals. We often have multiple constituents within our customers, including Executive Management, Human Resources, Talent Acquisition, Compliance, Risk, Legal, Safety, and Vendor Management, who rely on our products and solutions.

Our long-standing, blue-chip customer relationships include five of the U.S.'s top ten private sector employers, 55% of the Fortune 100, and approximately one-third of the Fortune 500. We have successfully gained market share by focusing on fast-growing industries and companies, increasing our share with existing customers, upselling and cross-selling new products and solutions, and winning new customers.

Our verticalized go-to-market strategy delivers highly relevant solutions for various industry sectors. This approach enables us to build a diversified customer portfolio and effectively serve many of the largest, most sophisticated, and fastest-growing companies in the world. We have built a powerful and efficient customer-centric sales model fueled by frequent engagement with our customers and deep subject matter expertise in industry-specific compliance and regulatory requirements, which allows us to create tailored solutions and drive consistent upsell and cross-sell opportunities. Our sales engine is powered by over 100 dedicated Sales and Solutions Engineering professionals working alongside over 200 dedicated Customer Success team members who have successfully maintained high customer satisfaction, retention, and growth, as evidenced by our industry-leading net promoter score ("NPS"), average 12-year tenure of our top 100 customers, and gross retention rate of approximately 95%, before factoring in growth or decline from existing or new customers. Our go-to-market strategy continues to drive particular strength with Enterprise customers in sectors with attractive secular trends such as e-commerce, essential retail, transportation and home delivery, warehousing, healthcare, technology, and staffing.

We have designed our technology platform to be highly configurable, scalable, and extensible. Our platform is embedded in our customers' core enterprise workflows and interfaces with more than 70 third-party Human

Capital Management ("HCM") software platforms, including Applicant Tracking Systems ("ATS"), providing us with real-time visibility and input into our customers' human resources processes. We leverage our proprietary databases—which include more than 600 million criminal and work history observations as of September 30, 2021—and an extensive and highly curated network of more than 600 automated and/or integrated third-party data providers. These data providers include federal, state, and local government entities; court runners; drug and health testing labs and collection sites; credit bureaus; and education and work history verification providers. Our platform efficiently and intelligently integrates data from these proprietary internal databases as well as external data sources using automation, APIs, and machine learning. Our investments in robotic process automation ("RPA"), including more than 2,750 bots currently deployed, enable our rapid turnaround times. For example, in 2020 alone, our technology innovations drove a 10% improvement in average turnaround time for our criminal searches in the United States. Our platform prioritizes data privacy and compliance and is powered by a rigorous, automated compliance rules engine. This enables us to address each customer's unique requirements in an efficient and automated manner while also ensuring compliance with complex data usage guidelines and regulatory requirements across global jurisdictions, industry-specific regulatory frameworks, and use cases.

Our focus on innovative products and technologies has been critical to our growth. Using agile software development methodologies, we have consistently enhanced existing products and been early to market with new and innovative products, including offerings for biometrics and identity, continuous criminal monitoring, driver onboarding, extended workforce screening, instant oral drug testing, and virtual drug testing. In addition, we continue to expand our proprietary databases that extend our competitive advantage, enhance turnaround times for customers, and offer potential future monetization upside opportunities. Our proprietary databases consist of hundreds of millions of criminal, education, and work history records. These strategic assets amassed and curated over the course of many years improve screening turnaround times and significantly reduce costs by using our internal data sources before accessing third-party data sources.

We have a strong track record of increasing market share, growing revenues, and expanding profit margins in recent years:

- Our large, Enterprise customers have increased from 122 companies at the beginning of 2018 to 141 at the end of 2020.
- From 2018 to 2020 and despite the impact of COVID-19 on the macroeconomic environment, our revenues grew at a compound annual growth rate ("CAGR") of 7%, all of which was organic growth from new customer wins or growth within our existing customer base. Our gross retention rate averaged approximately 95% over those three years.
- We generated net income of $34 million for the year ended December 31, 2019, and a net loss of $(62) million for the year ended December 31, 2020, on a pro forma basis. We generated a net loss of $(59) million for the nine months ended September 30, 2020 and net income of $5 million for the nine months ended September 30, 2021, in each case, on a pro forma basis.
- Our Adjusted EBITDA was $124 million for the year ended December 31, 2019. Our Adjusted EBITDA for the year ended December 31, 2020, on a pro forma basis, was $147 million. Our Adjusted EBITDA was $102 million for the nine months ended September 30, 2020 and $157 million for the nine months ended September 30, 2021, in each case, on a pro forma basis.
- Driven by scale, automation, and operational discipline, our Adjusted EBITDA Margins expanded, resulting in an Adjusted EBITDA CAGR of 21% from 2018 to 2020, on a pro forma basis.

For more information about how we calculate Adjusted EBITDA, please see footnote (1) in "—Summary Historical and Pro Forma Consolidated Financial and Other Data—Adjusted EBITDA."

Our Market Opportunity

The importance of human capital and its associated risks to brand, reputation, safety, and compliance are ever-increasing in today's interconnected, fast-paced world. Along with broader environmental, social, and governance ("ESG") considerations, these issues increasingly have become priorities at the highest executive and oversight levels of our customers worldwide. Key constituents, including C-Suite executives, boards of directors, external auditors, business owners, property managers, educators, volunteer organizations, and franchisors all face a heightened level of public scrutiny and accountability. Significant technological and societal trends include fraud and cyber-attacks; sexual harassment and workplace violence; and the prevalence of social media impacting companies' brands. These have driven a significant increase in the need for screening, verifications, and ongoing monitoring. Our products and solutions have become critical tools that companies depend on to provide safe environments for their customers and workers, maintain regulatory compliance, and protect their property, reputation, and brands.

According to Stax, a global management consulting firm, the global Total Addressable Market ("TAM") for our current products and solutions is approximately $13 billion. This includes $6 billion of current market spend and $7 billion of whitespace attributable to products and solutions that may ultimately be adopted across geographies. The estimated TAM includes a $5 billion market opportunity for U.S. pre-onboarding screening; a $4 billion market for U.S. post-onboarding monitoring, resident screening, hiring tax credits, and fleet / vehicle solutions; and a $4 billion market for international pre-onboarding screening and post-onboarding monitoring. In addition, according to Stax, current market spend will grow at a long-term CAGR of 6%, fueled by increases in hiring and job churn, growing attachment rates for existing products, accelerating adoption of post-onboarding and adjacent products in the U.S., and growing overall adoption in underpenetrated international markets. Our market is also fragmented, with the top three background screening providers constituting only one-third of the market according to Stax, providing ample opportunities for us to continue to increase market share.

We believe several key trends are generating significant growth opportunities in our markets and increasing demand for our products and solutions:

- ***Increased Workforce Mobility and Job Turnover:*** Millennials represented over one-third of the U.S. workforce in 2020 and are three times as likely to change jobs as other generations in pursuit of earning higher wages, faster career development, and better workplace culture fit. In addition, as the economy evolves and resource needs differ significantly by sector, geography, and skill set, this is driving dynamism in the hiring environment.

- ***Increasing Use of Contingent and Flexible Workforces:*** Approximately 25-30% of the U.S. workforce are contingent workers, including freelancers, independent contractors, consultants, or other outsourced and non-permanent workers, and a majority of large corporations plan to substantially increase their use of a flexible workforce. When independent contractors, external consultants, and temporary workers have access to sensitive information, company facilities, or directly interact with customers, it is important for companies to screen such flexible workforce personnel diligently.

- ***C-Suite Focus on Safety and Reputational Risks:*** Screening, verifications, and compliance are mission-critical and are becoming boardroom priorities for many companies due to the brand risks and potential legal liability of hiring high-risk workers. A number of high-profile human capital-related issues have led to significant brand damage, diversion of management attention, litigation, and negative news and social media coverage for enterprises in recent years. These events reinforced the importance of our products and solutions. According to a fact sheet from the Occupational Safety and Health Administration, approximately two million American workers are victims of workplace violence each year. Companies are increasingly expanding human resources and compliance budgets on products and solutions that help manage their potential risks and improve safety. By enhancing workplace safety, we address important social factors affecting our customers.

- ***Heightened Regulatory and Compliance Scrutiny:*** Businesses today are under intense scrutiny to comply with an ever-expanding and evolving set of global regulatory requirements that can vary by geography, industry vertical, and use case. Examples include the Foreign Corrupt Practices Act

("FCPA"), the United Kingdom Bribery Act, Fair Credit Reporting Act ("FCRA"), California Consumer Privacy Act ("CCPA"), E.U. General Data Protection Regulation ("GDPR"), the United Kingdom General Data Protection Regulation ("U.K. GDPR"), and Illinois Biometric Information Privacy Act ("IBIPA"), in addition to other anti-corruption requirements with respect to anti-money laundering and politically exposed persons. These requirements are driving many companies to perform more extensive and exhaustive checks and to partner with screening providers that have the scale, scope, heightened compliance standards, and auditability that they require. Our products and solutions help strengthen companies' corporate governance through bolstering their compliance and risk management practices.

- ***Growth in Post-Onboarding Monitoring:*** Companies are increasingly expanding their screening programs beyond a "one-and-done" pre-onboarding measure, which has historically been the norm in markets like the U.S. and U.K. We have invested in and continue to innovate our post-onboarding products and solutions and believe we are well-positioned to capture share in this growing market.
- ***Development of International Markets:*** Background screening penetration remains low in most international geographies, with a large portion of screens conducted by unsophisticated, local providers. Multinational companies are increasingly focused on systematizing and elevating their human resources policies, screening procedures, and providers globally, driving greater demand and a shift towards high-quality, compliant, and global screening providers. In addition, many non-U.S.-based companies are initiating screening programs for the first time and are seeking reliable, compliant, and high quality providers.
- ***Investment in Enterprise Software:*** Companies are increasingly investing in enterprise software to manage their businesses, including next-generation software-as-a-service solutions for Human Capital Management ("HCM"). As companies implement these systems, we believe there will be an increase in demand for screening, verification, and compliance solutions that can interface with these systems in an automated fashion to provide a seamless applicant and user experience and insights based on data analytics.
- ***Proliferation of Relevant Data Sources:*** U.S. government agencies, third-party vendors, and professional organizations are increasingly tracking and improving the quality and digitization of data in areas such as criminal, education, income history, healthcare credentials, and motor vehicle records ("MVRs"). In many other countries with limited quality and availability of reliable data, the collection, and organization of higher quality datasets has been increasing. This increasing availability of data is driving customers to rely on large-scale, sophisticated providers that can efficiently access and create insights from data sourced, aggregated, and integrated from myriad disparate sources.
- ***Advances in Analytics to Increase Value of Data:*** The increasing accessibility of robust datasets supplemented by machine learning technologies is driving heightened focus on integrating screening insights and dashboards with human resources, compliance, and security workflows. Customers often lack internal resources to develop such analytical and visualization tools, increasing demand for providers that offer these cutting-edge integrated data analytics capabilities.

Our Competitive Strengths

We believe the following competitive strengths have been instrumental in our success and position us for future growth:

- ***Market Leadership Built on Outstanding Customer Experience.*** We believe our relentless customer focus, comprehensive end-to-end product suite, advanced technology platform, proprietary databases, and intuitive consumer feel of our applications allow us to provide a differentiated value proposition and have been instrumental in establishing our market leadership. The strength of our value proposition and customer relationships are evidenced by our approximately 95% average gross retention rate from 2018 to 2020, our industry-leading NPS, and the average 12-year tenure of our top 100 customers.

- ***Verticalized Go-to-Market Engine and Products.*** Our Sales and Customer Success teams are organized by industry vertical with extensive subject-matter expertise. A deep understanding of industry-specific issues enables our Sales and Customer Success teams to upsell and cross-sell relevant products and drives rapid development of value-added, industry-specific solutions. Customer Advisory Boards, standardized customer reviews, product showcases, and continuous feedback loops across Sales, Customer Success, Product, and other functional areas, enable us to identify quickly, develop, and launch new products and solutions. We have intentionally designed our technology platform to be highly flexible, allowing our customers to configure our solutions to meet their unique requirements. For example, our home delivery companies can draw upon a tailored suite of products, including motor vehicle records monitoring, Department of Transportation ("DOT") compliance checks, and fleet management products. We have deliberately built competencies around industry verticals that we believe are well-positioned for long-term growth, including e-commerce, essential retail, transportation and home delivery, warehousing, healthcare, technology, and staffing.

- ***Leading Technology & Analytics Drive Customer Value Proposition***. Our strategic investments in technologies such as robotic process automation, artificial intelligence, facial recognition, and machine learning enable us to deliver superior risk management solutions with excellent speed, accuracy, and value to our customers. Our full product suite is available on our core platform, Enterprise Advantage, which can handle large-scale order volumes with an average of 99.9% uptime. Our AI-powered applicant experience, Profile Advantage, offers an intuitive user interface with chatbots, digital camera-enabled document uploads, and embedded machine learning to reduce missing information dramatically and compress the timeframe of the entire application process. Since Profile Advantage manages a critical interaction between our customers and their applicants, we offer our customers the option to white-label the product as an extension of their own brand, enhancing applicant engagement and satisfaction during the onboarding process. We also deliver value to customers through robust analytics solutions that allow them to aggregate, analyze, and act on recruitment and screening data in real-time. This allows our customers to derive actionable insights and make critical and informed decisions to improve the performance of their organization's recruitment, onboarding, safety, and screening programs.

- ***Product and Compliance Strength Across Geographies***. Our global presence allows us to meet the demands of multinational customers that operate in a variety of complex regulatory and compliance regimes, such as FCRA, GDPR, DOT, data privacy regulatory changes, country-specific labor laws, and right-to-work laws. The highly fragmented international screening market historically has resulted in companies relying on multiple providers across geographies, making it difficult for them to ensure consistent and compliant global workforce standards. We have built differentiated product depth, compliance expertise, and geographic coverage, which allow our customers to unify screening programs across 200 countries and territories. In addition, we are also one of the best-suited partners to help U.S. businesses screen candidates with international backgrounds, given our access to data and ability to perform verifications internationally. Our customers turn to us as an important partner in ensuring strong corporate governance across their geographies.

- ***Technology-Driven Operational Excellence and Profitability***. Our technology drives significant operating efficiencies by leveraging automation and end-to-end integrations that enable us to achieve the highest customer satisfaction for quality, accuracy, and turnaround time performance, which are customers' top provider selection criteria, while maintaining strong margins. Our user-facing front-end technology creates a superior applicant experience. Our back-end technology drives operational excellence, with more than 2,750 active intelligent bots yielding significant improvements in speed, accuracy, and cost savings. The intelligent bots have enabled us to improve the average turnaround time for criminal searches in the U.S. by over 10% from 2019 to 2020. Driven by these efficiency gains, we achieved more than 600 basis points of Adjusted EBITDA Margin expansion from 2018 to 2020. We expect our investments in technology and automation will help drive further improvement in our long-term margin profile.

- ***Experienced and Visionary Management Team with Complementary Skills.*** Our entrepreneurial and cohesive executive team is the driving force behind our success. Our management team has driven our recent success with extensive leadership experience in risk, compliance, software, technology, and information services and outstanding cross-functional coordination abilities through both operational discipline and executing on its strategic vision. Our current management team has led our company since 2017 and in that time has driven strategic and transformational initiatives across operations, product, engineering, and sales to accelerate growth and product development. We believe our team has the strategic vision, leadership qualities, technological expertise, and operational capabilities to continue to successfully drive our growth.

Our Growth Strategy

We intend to continue to grow our business profitably by pursuing the following strategies:

- ***Continue to Win New Customers.*** We are focused on winning new customers across industry verticals, particularly those with attractive, long-term hiring outlooks such as e-commerce, essential retail, and transportation and home delivery, and sectors that are increasingly requiring deeper, more frequent checks with high compliance standards such as healthcare and technology. We are also prioritizing new verticals that align with positive secular macroeconomic trends. We primarily focus on large Enterprise customers, which we believe are well-positioned for durable, long-term growth, have complex and diverse global operations, and, as a result, have the highest demand for our products and solutions. We believe our innovative and differentiated solutions, high-performing Sales and Customer Success teams, operational excellence, and industry-leading reputation and brand will enable us to expand our customer base successfully.

- ***Growth within Our Existing Customer Base through Upselling and Cross-selling.*** Our customers frequently begin their relationship with us by implementing a few core products and subsequently expanding their usage of our solutions platform over time to build a more comprehensive approach to screening and risk management. We drive upsell as customers extend our products and solutions to new divisions and geographies, perform more extensive screens, and purchase additional complementary pre-onboarding products. We also cross-sell additional risk mitigation and compliance solutions such as post-onboarding screening, hiring tax credits, and fleet solutions. Our Sales and Customer Success teams frequently engage with our existing customers and identify areas where we can provide additional value and products. Our deeply entrenched, dedicated Customer Success teams work closely with our customers to develop robust and rigorous compliance and risk management programs within their organizations. We believe that our total revenue opportunity with current customers is twice the size of our current revenue base when taking into account cross-selling and upselling opportunities. Revenues from cross-sell and upsell added approximately 5 and 4 percentage points to our revenue growth rate in 2019 and 2020, respectively. We will continue to hone our sales and marketing engine to increase product penetration within our existing customer base.

- ***Continue to Innovate Our Product Offerings.*** We plan to continue to expand our post-onboarding and adjacent product revenues. For example, we are currently investing in sources of recurring and subscription-based revenues such as post-onboarding monitoring solutions, software licensing, and data analytics. In addition, we are developing innovative solutions that align with our capabilities in areas such as biometric and identity verification, fraud mitigation, driver and vehicle compliance, franchise screening programs, virtual drug testing, and contingent worker screening. We will continue to invest significantly in our technology to sustain and advance our product leadership.

- ***Expand Internationally.*** We believe we are well-positioned to continue to expand into underpenetrated, high-growth international geographies. As multinational corporations increasingly systematize and elevate their human resources policies and screening providers across the globe while at the same time dealing with a growing set of local requirements, we believe we are uniquely positioned to address their global risk management and compliance requirements. The substantial majority of Enterprise customers do not currently have a single, global provider but are actively evaluating opportunities to consolidate their screening programs. We plan to continue to invest in international Sales and Customer Success to win these expansion opportunities and drive broader industry adoption.
- ***Selectively Pursue Complementary Acquisitions and Strategic Partnerships.*** Our acquisition and partnership strategy centers on delivering additional value to our customers through expanded product capabilities and industry or geographic expertise and scale. For example, in March 2021 we acquired GB Group's screening business in the U.K., which established First Advantage as one of the largest screening providers for U.K.-based companies and organizations. We intend to augment our organic growth by continuing to take a disciplined approach in identifying and evaluating potential strategic acquisition, investment, and partnership opportunities that strengthen our market positions, enhance our product offerings, strengthen our data capabilities, and/or allow us to enter new markets.

Risks Related to Our Business and this Offering

Investing in our stock involves a high degree of risk. You should carefully consider the risks described in "Risk Factors" before making a decision to invest in our common stock. If any of these risks actually occurs, our business, results of operations, and financial condition may be materially adversely affected. In such case, the trading price of our common stock may decline and you may lose part or all of your investment. Below is a summary of some of the principal risks we face:

- The impact of COVID-19 and related risks could materially affect our results of operations, financial position, and/or liquidity.
- We operate in a highly regulated industry and are subject to numerous and evolving laws and regulations, including those relating to consumer protection, intellectual property, cybersecurity, and data privacy, among others.
- We rely on a variety of third-party data providers, and if our relationships with any of them deteriorate, or if they are unable to deliver or perform as expected, our ability to operate effectively may be impaired, and our business may be materially and adversely affected.
- Negative changes in external events beyond our control, including our customers' onboarding volumes, economic drivers which are sensitive to macroeconomic cycles, and the COVID-19 pandemic, could adversely affect us.
- Our business, brand, and reputation may be harmed as a result of security breaches, cyber-attacks, or the mishandling of personal data.
- Our business depends on 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.
- 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, could have a materially adverse effect on our business.

- If we are unable to obtain, maintain, protect, and enforce our intellectual property and other proprietary information, or if we infringe, misappropriate, or otherwise violate the intellectual property rights of others, the value of our brands and other intangible assets may be diminished, and our business may be adversely affected.
- 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. As of September 30, 2021, we had $564.7 million of total debt outstanding and $100.0 million available under our revolving credit facility.
- Our Sponsor controls us and its interests may conflict with yours in the future.

Implications of being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act. As a result, we are permitted to, and are relying on, exemptions from certain disclosure requirements that are applicable to other companies that are not emerging growth companies. Accordingly, in this prospectus, we have (i) presented only two years of audited consolidated financial statements; and (ii) have not included a compensation discussion and analysis of our executive compensation programs. In addition, for so long as we are an emerging growth company, among other exemptions, we will not be required to:

- engage an independent registered public accounting firm to report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act");
- disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation; or
- submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay," "say-on-frequency" and "say-on-golden parachutes."

We will remain an emerging growth company until the earliest to occur of:

- our reporting of $1.07 billion or more in annual gross revenue;
- our becoming a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates;
- our issuance, in any three year period, of more than $1.0 billion in non-convertible debt; and
- the fiscal year commencing on January 1, 2027.

The Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), also permits an emerging growth company such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use this extended transition period under the JOBS Act, and as a result, our financial statements may not be comparable with similarly situated public companies.

Our Sponsor

Silver Lake is a global technology investment firm, with more than $88 billion in combined assets under management and committed capital and a team of professionals based in North America, Europe and Asia. Silver Lake devotes its full scope of talent and intellectual capital to the singular mission of investing in the world's leading technology companies and tech-enabled businesses. Founded in 1999, Silver Lake leverages the deep knowledge and expertise of a global team based in Menlo Park, Cupertino, New York, London, and Hong Kong.

Our Corporate Information

Our common stock began trading on Nasdaq under the symbol "FA" on June 23, 2021 and we consummated the IPO on June 25, 2021.

We began our operations in 2003. First Advantage Corporation was incorporated in Delaware on November 15, 2019 in connection with the Silver Lake Transaction. Our principal offices are located at 1 Concourse Parkway NE, Suite 200, Atlanta, Georgia 30328. Our telephone number is (888)-314-9761. We maintain a website at www.fadv.com. The reference to our website is intended to be an inactive textual reference only. The information contained on, or that can be accessed through, our website is not part of this prospectus.

The Offering

Issuer	First Advantage Corporation
Common stock offered by the selling stockholders	15,000,000 shares
Option to purchase additional shares of common stock	The selling stockholders have granted the underwriters a 30-day option from the date of this prospectus to purchase up to 2,250,000 additional shares of our common stock at the public offering price, less underwriting discounts and commissions.
Common stock outstanding	152,875,076 shares as of November 5, 2021.
Use of proceeds	We will not be selling any shares in this offering and we will not receive any proceeds from the sale of shares being sold in this offering, including from any exercise by the underwriters of their option to purchase additional shares from the selling stockholders. The selling stockholders will receive all of the net proceeds and bear all commissions and discounts from the sale of our common stock by the selling stockholders. See “Principal and Selling Stockholders.”
Dividend policy	We have no current plans to pay dividends on our common stock. Any decision to declare and pay dividends in the future will be made at the sole discretion of our board of directors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions, including restrictions in the agreements governing our indebtedness, and other factors that our board of directors may deem relevant. See “Dividend Policy.”
Risk factors	Investing in shares of our common stock involves a high degree of risk. See “Risk Factors” for a discussion of factors you should carefully consider before investing in shares of our common stock.
Trading symbol	“FA”

Unless we indicate otherwise or the context otherwise requires, this prospectus:

- reflects and assumes no exercise of the underwriters’ option to purchase additional shares of our common stock;
- does not reflect 12,864,126 shares of common stock reserved for future issuance pursuant to our First Advantage Corporation 2021 Omnibus Incentive Plan (the “2021 Equity Plan”) and First Advantage Corporation 2021 Employee Stock Purchase Plan (the “ESPP”). As of the date of this prospectus, pursuant to the 2021 Equity Plan, we have issued 3,222,790 options, 2,918,084 shares of restricted stock and 45,000 restricted stock units, which remain outstanding. Additionally, we have 3,476,665 options outstanding under our legacy equity incentive plan. See “Management—Executive Compensation—Long-Term Equity Incentive Compensation”; and
- reflects the SLP Distribution, which refers to the in-kind distribution of 4,659,403 shares of our common stock held by SLP Fastball Aggregator, L.P. to its partners. The number of shares to be

distributed is based upon an assumed offering price of $21.05 per share, which is the closing sales price of our common stock as reported on Nasdaq on November 5, 2021, less estimated underwriters' discounts and commissions. The SLP Distribution is expected to occur following the closing of this Follow-On Offering. A $1.00 increase or decrease in the assumed offering price would result in an increase of 76,674 shares or a decrease of 86,386 shares, respectively, of our common stock to be distributed in the SLP Distribution; and

- does not reflect any additional in-kind distributions of up to 699,134 shares of our common stock held by SLP Fastball Aggregator, L.P. that it may choose to effect in the event that the underwriters' option to purchase additional shares of our common stock is exercised in full. The number of shares to be distributed is based upon an assumed offering price of $21.05 per share, which is the closing sales price of our common stock as reported on Nasdaq on November 5, 2021, less estimated underwriters' discounts and commissions.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL AND OTHER DATA

Set forth below is our summary historical consolidated financial and other data as of the dates and for the periods indicated. The summary historical financial data as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor) and for the year ended December 31, 2019 (Predecessor), for the period from January 1 through January 31, 2020 (Predecessor), and for the period from February 1 through December 31, 2020 (Successor) has been derived from our audited historical consolidated financial statements included elsewhere in this prospectus. The summary historical financial data as of September 30, 2021 (Successor) and for the period from February 1, 2020 through September 30, 2020 (Successor) and for the nine months ended September 30, 2021 (Successor) has been derived from our unaudited historical consolidated financial statements included elsewhere in this prospectus. The unaudited historical consolidated financial statements were prepared on a basis consistent with our audited historical consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of the financial information. The results for any interim period are not necessarily indicative of the results that may be expected for the full year. In addition, the results of operations for any period are not necessarily indicative of the results to be expected for any future period.

On January 31, 2020, the Sponsor acquired substantially all of the equity interests in the Company from STG, pursuant to the Silver Lake Transaction. For the purposes of the consolidated financial data included in this prospectus, periods on or prior to January 31, 2020 reflect the financial position, results of operations, and cash flows of the Company and its consolidated subsidiaries prior to the Silver Lake Transaction, referred to herein as the Predecessor, and periods beginning after January 31, 2020 reflect the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries as a result of the Silver Lake Transaction, referred to herein as the Successor. As a result of the Silver Lake Transaction, the results of operations and financial position of the Predecessor and Successor are not directly comparable.

The summary unaudited pro forma consolidated financial data presented below has been derived from our unaudited pro forma consolidated financial statements included elsewhere in this prospectus. The summary unaudited pro forma consolidated statement of operations data for the year ended December 31, 2020 and the nine months ended September 30, 2020 give effect to the Transactions as if they had occurred on January 1, 2020. The unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2021 gives effect to the IPO Transactions, this Follow-On Offering, and the SLP Distribution as if they had occurred on January 1, 2020. The unaudited pro forma consolidated statement of operations for the nine months ended September 30, 2021 does not give effect to either the Silver Lake Transaction or the Silver Lake Transaction Refinancing as if they had occurred on January 1, 2020 because these events are already reflected for the full period presented in the historical statement of operations of the Company. The unaudited pro forma financial information includes various estimates which are subject to material change and may not be indicative of what our operations would have been had such transactions taken place on the dates indicated, or that may be expected to occur in the future. See “Unaudited Pro Forma Consolidated Financial Information” for a complete description of the adjustments and assumptions underlying the summary unaudited pro forma consolidated financial data. The unaudited pro forma consolidated financial data is included for information purposes only.

You should read the following summary financial and other data below together with the information under “Unaudited Pro Forma Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and related notes thereto and our unaudited consolidated financial statements and related notes thereto, each included elsewhere in this prospectus.

	Annual Periods			Interim Periods					
	Predecessor		Successor	Predecessor	Successor		Pro Forma		
(In thousands, except share and per share amounts)	Year Ended December 31, 2019	Period from January 1 through January 31, 2020	Period from February 1 through December 31, 2020	Period from January 1 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Year Ended December 31, 2020	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2021
Statement of Operations Data									
Revenues	$ 481,767	$ 36,785	$ 472,369	$ 36,785	$ 315,825	$ 499,763	$ 509,154	$ 352,610	$ 499,763
Operating expenses									
Cost of services	245,324	20,265	240,287	20,265	156,703	244,964	260,613	177,012	244,968
Product and technology expense	33,239	3,189	32,201	3,189	20,495	33,546	35,565	23,808	33,563
Selling, general, and administrative expense	85,084	11,235	66,864	11,235	46,206	76,256	81,256	59,723	76,336
Depreciation and amortization	25,953	2,105	135,057	2,105	97,815	106,493	143,286	108,240	106,493
Total operating expenses	389,600	36,794	474,409	36,794	321,219	461,259	520,720	368,783	461,360
Income (loss) from operations	92,167	(9)	(2,040)	(9)	(5,394)	38,504	(11,566)	(16,173)	38,403
Other expense (income)									
Interest expense	51,964	4,514	47,914	4,514	38,405	22,015	46,684	39,202	16,174
Interest income	(945)	(25)	(530)	(25)	(282)	(140)	(555)	(307)	(140)
Loss on extinguishment of debt	—	10,533	—	10,533	—	13,938	—	—	13,938
Transaction expenses, change in control	—	22,370	9,423	22,370	9,423	—	9,423	9,423	—
Total other expense	51,019	37,392	56,807	37,392	47,546	35,813	55,552	48,318	29,972
Income (loss) before provision for income taxes	41,148	(37,401)	(58,847)	(37,401)	(52,940)	2,691	(67,118)	(64,491)	8,431
Provision for income taxes	6,898	(871)	(11,355)	(871)	(11,308)	2,025	(4,739)	(5,535)	3,509
Net income (loss)	$ 34,250	$ (36,530)	$ (47,492)	$ (36,530)	$ (41,632)	$ 666	$ (62,379)	$ (58,956)	$ 4,922
Net income (loss)	$ 34,250	$ (36,530)	$ (47,492)	$ (36,530)	$ (41,632)	$ 666			
Foreign currency translation adjustments	(341)	(31)	2,484	(31)	(1,164)	(1,594)			
Comprehensive income (loss)	$ 33,909	$ (36,561)	$ (45,008)	$ (36,561)	$ (42,796)	$ (928)			
Per Share Data (unaudited)									
Net income (loss) per share:									
Basic	$ 0.23	$ (0.24)	$ (0.37)	$ (0.24)	$ (0.32)	$ 0.00	$ (0.42)	$ (0.39)	$ 0.03
Diluted	$ 0.21	$ (0.24)	$ (0.37)	$ (0.24)	$ (0.32)	$ 0.00	$ (0.42)	$ (0.39)	$ 0.03
Weighted average shares outstanding:									
Basic	149,686,460	149,686,460	130,000,000	149,686,460	130,000,000	137,232,289	149,938,166	149,938,166	149,940,131
Diluted	163,879,766	149,686,460	130,000,000	149,686,460	130,000,000	138,170,488	149,938,166	149,938,166	150,878,330

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(In thousands, except share and per share amounts)	Annual Periods			Interim Periods					
	Predecessor		Successor	Predecessor	Successor		Pro Forma		
	Year Ended December 31, 2019	Period from January 1 through January 31, 2020	Period from February 1 through December 31, 2020	Period from January 1 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Year Ended December 31, 2020	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2021
Balance Sheet Data (end of period)									
Cash, cash equivalents and restricted cash	$ 80,746		$ 152,970			$ 275,688			$ 275,688
Total assets	$ 544,733		$ 1,763,691			$ 1,856,693			$ 1,856,693
Total liabilities	$ 638,950		$ 969,421			$ 742,474			$ 742,474
Total (deficit) equity	$ (94,217)		$ 794,270			$ 1,114,219			$ 1,114,219
Cash Flow Data									
Cash flows from operating activities	$ 71,583	$ (19,216)	$ 72,851	$ (19,216)	$ 37,626	$ 83,860			
Cash flows from investing activities	$ (17,789)	$ (2,043)	$ (15,569)	$ (2,043)	$ (10,798)	$ (24,992)			
Cash flows from financing activities	$ (3,176)	$ (11,122)	$ 46,404	$ (11,122)	$ 50,356	$ 64,372			
Capital expenditures	$ 16,703	$ 1,880	$ 15,826	$ 1,880	$ 11,506	$ 17,709			
Purchases of property and equipment	$ 6,578	$ 951	$ 5,304	$ 951	$ 4,083	$ 5,743			
Capitalized software development costs	$ 10,125	$ 929	$ 10,522	$ 929	$ 7,423	$ 11,966			
Other Financial Data									
Adjusted EBITDA[1]	$ 123,773	$ 7,022	$ 139,776	$ 7,022	$ 95,131	$ 156,856	$ 146,798	$ 102,153	$ 156,856
Net Income (Loss) Margin[2]	7.1%	(99.3)%	(10.1)%	(99.3)%	(13.2)%	0.1%	(12.3)%	(16.7)%	1.0%
Adjusted EBITDA Margin[3]	25.7%	19.1%	29.6%	19.1%	30.1%	31.4%	28.8%	29.0%	31.4%
Adjusted Net Income[4]	$ 44,932	$ 1,371	$ 63,895	$ 1,371	$ 39,146	$ 95,869	$ 73,533	$ 47,425	$ 99,767
Adjusted Diluted Earnings Per Share[5]	$ 0.27	$ 0.01	$ 0.49	$ 0.01	$ 0.30	$ 0.69	$ 0.49	$ 0.32	$ 0.66

(1) We define Adjusted EBITDA as net 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 and non-cash charges. We describe these adjustments reconciling net income (loss) to Adjusted EBITDA in the table below.

We present Adjusted EBITDA because we believe it is a useful indicator of our operating performance. Our management uses Adjusted EBITDA principally as a measure of our operating performance and believes that Adjusted EBITDA is useful to investors because it is frequently used by analysts, investors, and other interested parties to evaluate companies in our industry. We also believe Adjusted EBITDA is useful to our management and investors as a measure of comparative operating performance from period to period.

Adjusted EBITDA is a non-GAAP financial measures and should not be considered as an alternative to net income (loss) as a measure of financial performance or any other performance measure derived in accordance with GAAP and it should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In evaluating Adjusted EBITDA, you should be aware that in the future, we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed to imply that our future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on our GAAP results in addition to using Adjusted EBITDA supplementally.

Our Adjusted EBITDA measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- it does not reflect costs or cash outlays for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- it does not reflect period to period changes in taxes, income tax expense, or the cash necessary to pay income taxes;
- it does not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and they do not reflect cash requirements for such replacements; and
- other companies in our industry may calculate this measure differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to invest in business growth or to reduce indebtedness.

The following table provides a reconciliation of net income (loss) to Adjusted EBITDA for the periods presented:

	Annual Periods			Interim Periods			Pro Forma		
	Predecessor		Successor	Predecessor	Successor				
	Year Ended December 31, 2019	Period from January 1 through January 31, 2020	Period from February 1 through December 31, 2020	Period from January 1 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Year Ended December 31, 2020	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2021
(In thousands)									
Net income (loss)	$ 34,250	$ (36,530)	$ (47,492)	$ (36,530)	$ (41,632)	$ 666	$ (62,379)	$ (58,956)	$ 4,922
Interest expense, net	51,019	4,489	47,384	4,489	38,123	21,875	46,129	38,895	16,034
Provision (benefit) for income taxes	6,898	(871)	(11,355)	(871)	(11,308)	2,025	(4,739)	(5,535)	3,509
Depreciation and amortization	25,953	2,105	135,057	2,105	97,815	106,493	143,286	108,240	106,493
Loss on extinguishment of debt	—	10,533	—	10,533	—	13,938	—	—	13,938
Share-based compensation	1,216	3,976	1,876	3,976	1,331	4,569	9,245	7,757	4,670
Transaction and acquisition related charges(a)	1,198	22,840	10,146	22,840	9,578	6,510	10,616	10,048	6,510

(In thousands) (continued)	Annual Periods			Interim Periods					
	Predecessor		Successor	Predecessor	Successor		Pro Forma		
	Year Ended December 31, 2019	Period from January 1 through January 31, 2020	Period from February 1 through December 31, 2020	Period from January 1 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Year Ended December 31, 2020	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2021
Integration and restructuring charges(b)	—	327	3,413	327	288	584	3,740	615	584
Other(c)	3,239	153	747	153	936	196	900	1,089	196
Adjusted EBITDA	$ 123,773	$ 7,022	$ 139,776	$ 7,022	$ 95,131	$ 156,856	$ 146,798	$ 102,153	$ 156,856

(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. Additionally, the nine months ended September 30, 2021 includes incremental professional service fees incurred related to the IPO.

(b) Represents charges from organizational restructuring and integration activities outside the ordinary course of business.

(c) Represents non-cash and other charges primarily related to litigation-related expenses related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets.

(2) Represents net income (loss) divided by total revenues.

(3) We define Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenues.

(4) We define Adjusted Net Income as net income 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 and non-cash charges, to which we then apply an effective tax rate of 26.4%, 25.7%, and 25.9% for the 2019, 2020, and 2021 periods, respectively. We describe these adjustments reconciling net income (loss) to Adjusted Net Income in the table below.

We present Adjusted Net Income because we believe it is a useful indicator of our operating performance. Our management uses Adjusted Net Income principally as a measure of our operating performance and believes that Adjusted Net Income is useful to investors because it is frequently used by analysts, investors, and other interested parties to evaluate companies in our industry. We also believe Adjusted Net Income is useful to our management and investors as a measure of comparative operating performance from period to period.

Adjusted Net Income is a non-GAAP financial measures and should not be considered as an alternative to net income (loss) as a measure of financial performance or any other performance measure derived in accordance with GAAP and it should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In evaluating Adjusted Net Income, you should be aware that in the future, we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted Net Income should not be construed to imply that our future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on our GAAP results in addition to using Adjusted Net Income supplementally.

Our Adjusted Net Income measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- it does not reflect costs or cash outlays for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;

- it does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- it does not reflect period to period changes in taxes, income tax expense, or the cash necessary to pay income taxes;
- it does not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations; and
- other companies in our industry may calculate this measure differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, Adjusted Net Income should not be considered as a measure of discretionary cash available to invest in business growth or to reduce indebtedness.

The following table provides a reconciliation of net income (loss) to Adjusted Net Income for the periods presented:

	Annual Periods			Interim Periods					
	Predecessor		Successor	Predecessor	Successor		Pro Forma		
(In thousands)	Year Ended December 31, 2019	Period from January 1 through January 31, 2020	Period from February 1 through December 31, 2020	Period from January 1 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Year Ended December 31, 2020	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2021
Net income (loss)	$ 34,250	$ (36,530)	$ (47,492)	$ (36,530)	$ (41,632)	$ 666	$ (62,379)	$ (58,956)	$ 4,922
Provision (benefit) for income taxes	6,898	(871)	(11,355)	(871)	(11,308)	2,025	(4,739)	(5,535)	3,509
Income (loss) before income taxes	41,148	(37,401)	(58,847)	(37,401)	(52,940)	2,691	(67,118)	(64,491)	8,431
Debt-related costs(a)	3,174	11,102	3,242	11,102	2,344	19,703	9,194	8,494	19,110
Acquisition-related depreciation and amortization(b)	11,074	848	125,419	848	91,149	95,047	132,391	100,317	95,047
Share-based compensation	1,216	3,976	1,876	3,976	1,331	4,569	9,245	7,757	4,670
Transaction and acquisition related charges(c)	1,198	22,840	10,146	22,840	9,578	6,510	10,616	10,048	6,510
Integration and restructuring charges(d)	—	327	3,413	327	288	584	3,740	615	584
Other(e)	3,239	153	747	153	936	196	900	1,089	196
Adjusted income before income tax effect	61,049	1,845	85,996	1,845	52,686	129,300	98,968	63,829	134,548
Less: Income tax effect(f)	16,117	474	22,101	474	13,540	33,431	25,435	16,404	34,781
Adjusted Net Income	$ 44,932	$ 1,371	$ 63,895	$ 1,371	$ 39,146	$ 95,869	$ 73,533	$ 47,425	$ 99,767

(a) Represents the loss on extinguishment of debt and non-cash interest expense related to the amortization of debt issuance costs for the financing for the Silver Lake Transaction.

(b) Represents the depreciation and amortization expense related to intangible assets and developed technology assets recorded due to the application of ASC 805, *Business Combinations*.

(c) 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. Additionally, the nine months ended September 30, 2021 includes incremental professional service fees incurred related to the IPO.

(d) Represents charges from organizational restructuring and integration activities outside the ordinary course of business.

(e) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets.

(f) Effective tax rates of 26.4%, 25.7%, and 25.9% have been used to compute Adjusted Net Income for the 2019, 2020, and 2021 periods, respectively. As of December 31, 2020, we had net operating loss carryforwards of approximately $197.6 million, $166.2 million, and $36.0 million for federal, state, and foreign income tax purposes, respectively, available to reduce future income subject to income taxes. As a result, the amount of actual cash taxes we pay for federal, state, and foreign income taxes differs significantly from the effective income tax rate computed in accordance with GAAP and from the normalized rate shown above.

(5) The following table presents the calculation of Adjusted Diluted Earnings Per Share for the periods presented. Prior to the IPO, the equity awards under certain individual grant agreements were issued by the Company's prior direct parent entity. As a result, these awards were not considered equity awards issued by the Company, and therefore not included in the calculation of adjusted weighted average number of shares outstanding—diluted.

	Annual Periods			Interim Periods					
	Predecessor		Successor	Predecessor	Successor		Pro Forma		
	Year Ended December 31, 2019	Period from January 1 through January 31, 2020	Period from February 1 through December 31, 2020	Period from January 1 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Year Ended December 31, 2020	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2021
Diluted net income (loss) per share (GAAP)	$ 0.21	$ (0.24)	$ (0.37)	$ (0.24)	(0.32)	0.00	$ (0.42)	$ (0.39)	$ 0.03
Adjusted Net Income adjustments per share									
Income taxes	0.04	(0.01)	(0.09)	(0.01)	(0.09)	0.01	(0.03)	(0.04)	0.02
Debt-related costs(a)	0.02	0.07	0.02	0.07	0.02	0.14	0.06	0.06	0.13
Acquisition-related depreciation and amortization(b)	0.07	0.01	0.96	0.01	0.70	0.69	0.88	0.67	0.63
Share-based compensation	0.01	0.03	0.01	0.03	0.01	0.03	0.06	0.05	0.03
Transaction and acquisition related charges(c)	0.01	0.15	0.08	0.15	0.07	0.05	0.07	0.07	0.04
Integration and restructuring charges(d)	—	0.00	0.03	0.00	0.00	0.00	0.02	0.00	0.00
Other(e)	0.02	0.00	0.01	0.00	0.01	0.00	0.01	0.01	0.00
Adjusted income tax effect(f)	(0.10)	(0.00)	(0.17)	(0.00)	(0.10)	(0.24)	(0.17)	(0.11)	(0.23)
Adjusted Diluted Earnings Per Share (Non-GAAP)	$ 0.27	$ 0.01	$ 0.49	$ 0.01	0.30	0.69	$ 0.49	$ 0.32	$ 0.66
Weighted average number of shares outstanding used in computation of Adjusted Diluted Earnings Per Share:									
Weighted average number of shares outstanding—diluted (GAAP)	163,879,766	149,686,460	130,000,000	149,686,460	130,000,000	138,170,488	149,938,166	149,938,166	150,878,330

(continued)	Annual Periods — Predecessor — Year Ended December 31, 2019	Annual Periods — Predecessor — Period from January 1 through January 31, 2020	Annual Periods — Successor — Period from February 1 through December 31, 2020	Interim Periods — Predecessor — Period from January 1 through January 31, 2020	Interim Periods — Successor — Period from February 1, 2020 through September 30, 2020	Interim Periods — Successor — Nine Months Ended September 30, 2021	Pro Forma — Year Ended December 31, 2020	Pro Forma — Nine Months Ended September 30, 2020	Pro Forma — Nine Months Ended September 30, 2021
Options and restricted stock not included in weighted average number of shares outstanding—diluted (GAAP) (using treasury stock method)	—	—	—	—	—	—	—	—	—
Adjusted weighted average number of shares outstanding—diluted (Non-GAAP)	163,879,766	149,686,460	130,000,000	149,686,460	130,000,000	138,170,488	149,938,166	149,938,166	150,878,330

(a) Represents the loss on extinguishment of debt and non-cash interest expense related to the amortization of debt issuance costs for the financing for the Silver Lake Transaction.

(b) Represents the depreciation and amortization expense related to intangible assets and developed technology assets recorded due to the application of ASC 805, *Business Combinations*.

(c) 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. Additionally, the nine months ended September 30, 2021 (Successor) includes incremental professional service fees incurred related to the IPO.

(d) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.

(e) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets.

(f) Effective tax rates of 26.4%, 25.7%, and 25.9% have been used to compute Adjusted Diluted Earnings Per Share for the 2019, 2020, and 2021 periods, respectively. As of December 31, 2020, we had net operating loss carryforwards of approximately $197.6 million, $166.2 million, and $36.0 million for federal, state, and foreign income tax purposes, respectively, available to reduce future income subject to income taxes. As a result, the amount of actual cash taxes we pay for federal, state, and foreign income taxes differs significantly from the effective income tax rate computed in accordance with GAAP and from the normalized rate shown above.

RISK FACTORS

You should carefully consider the following risks before you decide to purchase our common stock. If any of the following risks actually occur, our business, results of operations, and financial condition could be materially adversely affected, the value of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business

The impact of COVID-19 and related risks have affected and may continue to materially affect our business, results of operations, financial position, and/or liquidity.

The COVID-19 pandemic and the ensuing actions that various governments have taken in response have created significant worldwide uncertainty, volatility, and economic disruption. The COVID-19 pandemic has adversely impacted certain aspects of our business. The extent to which it will continue to do so will depend on a number of factors, many of which are highly uncertain, evolving, and beyond our control. These factors include, but are not limited to: (i) the duration and scope of the pandemic, including resurgences in various regions in the U.S. and globally and other future resurgences; (ii) governmental, business, and individual actions that have been and will continue to be taken in response to the pandemic, including travel restrictions, quarantines, social distancing, work-from-home and shelter-in-place orders, regulatory oversight and developments, and government shutdowns; (iii) the impact on the U.S. and global economies and the timing and rate of economic recovery, including the extent and duration of such impact on hiring and jobs; and (iv) impacts on the operations of our customers' industries and individual businesses.

As the COVID-19 pandemic continues and any associated protective or preventative measures and related legislation continue to be put in place or modified and adjusted in the United States and around the world, we may experience disruptions to our business. Risks presented by the ongoing effects of COVID-19 include the following:

- *Operational Disruptions*. Due to the closure of courthouses and public record information sources at the onset of the COVID-19 outbreak, many data sources were not available or current as workers were unable to access and update them. In some instances, where public record information was not digitized or available through electronic means, certain information and reports were inaccessible as they had to be retrieved in person. In certain courthouses around the country and other instances where public record information was only available through manual retrieval, and those data sources were closed due to COVID-19 measures, information could not be retrieved or was delayed in being retrieved in order to fulfill background screening orders. This resulted in longer turnaround times, and depending on our customers' preferences, delayed or required modification of customer deliverables. Courthouses and public record information sources may continue to be closed, or close again, due to resurgences of COVID-19, such as the current resurgence as a result of the Delta variant, and may continue to affect our access to data sources and interfere with customer deliverables.

  In addition, while our experience with remote work thus far has not produced significant obstacles, our operations could be disrupted if key members of our senior management or a significant percentage of our workforce or the workforce of our vendors are unable to continue to work because of illness or otherwise.

- *Customers*. Certain of our existing customers reduced hiring, implemented hiring freezes, and/or modified their background screening programs due to declining business conditions, which has resulted in decreased demand and spending on our products. Our customers may continue to take such actions and, depending on the duration of the COVID-19 pandemic, could also cease their business operations on a temporary or permanent basis. Certain sectors such as travel, live entertainment, dining, and non-essential retail, have been especially impacted by the pandemic. While the decrease in demand from customers in such sectors has been offset by increased demand from our customers in other sectors such as e-commerce, essential retail, and transportation and home delivery, such other industries may experience downturns in the future. In addition, demand for our products and solutions from our international customers has generally been more impacted by the ongoing effects of the COVID-19 pandemic than demand from our U.S. customers. In addition, because many of our existing and potential customers are also operating from a similar remote environment, we may face difficulties maintaining relationships with our current customers and winning new customers in the same manner as we would have operated before the outbreak of COVID-19. For example, we have been unable to attend or present at various tradeshows and conferences as we did before the outbreak of the pandemic, and the limitations of travel have impacted our ability to visit customer locations.

- *Increased Expenses*. We have incurred incremental costs in connection with the COVID-19 pandemic, including costs related to furloughs and severance, increased overtime, and personal protective equipment. Additionally, certain of our expenses, such as office space leases and software, are not variable with revenues and will continue regardless of the level of our activity or employee base.
- *Heightened Operational Risks*. Because our remote working arrangements are necessarily more reliant on our employees' internet and telecommunications access and capabilities, if our employees or we experience difficulties with technology and data and/or network security (including as a result of cyber-attacks), our operations could be disrupted and our ability to conduct our business could be negatively impacted.

These and other disruptions related to COVID-19 could continue to materially and adversely affect our business, financial condition, results of operations, and cash flows. The Occupational Safety and Health Administration has recently issued an interim final rule that may, among other things, require large employers, including us, to ensure their employees are either fully vaccinated against COVID-19 by January 4, 2022 or are tested for COVID-19 at least once a week. In addition, under the proposed rule, employees will be entitled to paid time off for the time it takes to get vaccinated, as well as sick leave to recover from any side effects. We are actively taking steps to ensure compliance with the rule, which we expect to take effect shortly. Instituting changes to our existing protocols and policies to ensure compliance with the rule could divert management's attention and result in higher expenses for us. In addition, COVID-19 may exacerbate the other risks described below, including being restricted in the use of certain data for screening purposes or the completion of certain screens, as a result of customer or other external mandates.

We operate in a highly regulated industry and are subject to numerous and evolving laws and regulations.

As a global provider of technology solutions for screening and verifications, we are subject to numerous and evolving international, federal, state, and local laws and regulations, including, without limitation, in the areas of consumer protection, privacy, and data protection. See "Business—Government Regulations". We expect that these laws and regulations will continue to evolve, change, and expand and, in most instances, become more stringent and complex with time. Compliance with these laws and regulations requires significant expense and resources, which could increase significantly as these laws and regulations evolve. Further, regulations are often the product of administrative interpretation and judicial construction, which could result in inconsistent implementation across jurisdictions. We must reconcile the many potential differences between the laws and regulations among the various domestic and international jurisdictions that may be involved in the provision of our solutions. A failure to identify, comply, and reconcile the many laws and regulations we are subject to could result in the imposition of penalties and fines, restrictions on our operations, breach of contract or indemnification claims against us, loss of revenues, and could otherwise adversely affect our business, results of operations, and financial condition. Further, we acquired a company in 2013 that was subject to multiple FTC consent decrees that had been imposed on it in the years prior to our acquisition and to which we now remain subject. The consent decrees require us to comply with the Fair Credit Reporting Act ("FCRA") and to maintain a comprehensive information security program to be audited biennially. Under these circumstances, failure to comply with the decrees and/or relevant law or regulations may subject us to increased risk.

Changes in laws, regulations, and the interpretation of such laws and regulations on both the state and federal level could also affect certain of our businesses and result in restrictions on our ability to offer certain products and solutions. For example, numerous states have implemented fair chance hiring laws that prohibit employers from inquiring or using an applicant's criminal history to make employment decisions. Many states have in recent years amended their fair chance laws to increase the restrictions on the use of such data. In addition, under the FCRA in the United States, both our customers and we are required to comply with many requirements under the FCRA as well as state-level laws regarding the use and delivery of consumer reports. The enactment of new restrictive legislation and the requirements, restrictions, and limitations imposed by changing interpretations and court decisions on such laws and regulations could prevent our customers from using the full functionality of our products, which may reduce demand for our products and solutions. We could also be required to adapt our products to meet these evolving and complex requirements, such as adding or changing disclosures, authorizations, or forms provided to applicants. In addition, we believe it is critical for us to keep abreast of evolving laws and interpretations in applicable jurisdictions and inform our customers of changes to their ability to use our products and solutions and their and our obligations. These efforts require time, expense, and resources, and in some instances, reliance on third parties such as law firms and trade associations.

If regulatory regimes continue to heighten their scrutiny over personal data and data security, it could lead to increased restrictions, loss of revenue opportunity, greater costs of compliance, and lost efficiency.

Our products and solutions are subject to various complex laws and regulations governing cybersecurity, privacy, and data protection on the federal, state, and local levels, and in foreign jurisdictions. The regulatory framework for privacy issues is rapidly evolving and is likely to remain uncertain and inconsistently enforced for the foreseeable future. Many federal, state, and foreign governmental bodies and agencies have adopted or are considering adopting laws and regulations regarding collecting, processing, handling, maintenance, storage, use, disclosure, and transmission of personal and other sensitive information. A growing trend of regulation in this area provides for mandatory consumer notification should the unauthorized access of consumer information occur, and further expansion of requirements is possible. It is possible that these restrictions could limit our current or future service offerings, reduce our profitability, or otherwise materially and adversely affect our ability to conduct our business or to do so economically. Further, if our practices or products are perceived to constitute an invasion of privacy, we may be subject to increased scrutiny and public criticism, litigation, and reputational harm, which could disrupt our business and expose us to liability. Given the nature of our business and the volume of our operations, it is possible for breaches to occur, whether intentionally from hackers or unintentionally, if we inadvertently send or otherwise make available information to an unauthorized recipient.

We are subject to many cybersecurity, privacy, and data protection laws in the United States and around the world. In the United States, we are subject to numerous federal and state laws governing the collection, processing, use, transmission, disclosure, and sale of personal data (which may also be referred to as personal information, personally identifiable information, and/or non-public personal information). For example, the California Consumer Privacy Act ("CCPA") went into effect on January 1, 2020, and established a new privacy framework for covered businesses such as ours. Further, in November 2020, California voters passed the California Privacy Rights and Enforcement Act of 2020 ("CPRA"), which further expands the CCPA with additional data privacy compliance requirements that may impact our business, and establishes a regulatory agency dedicated to enforcing those requirements. It remains unclear how various provisions of the CCPA and CPRA will be interpreted and enforced. In addition, on March 2, 2021, Virginia enacted the Virginia Consumer Data Protection Act ("CDPA"), a comprehensive privacy statute that shares similarities with the CCPA, CPRA, and legislation proposed in other states. The CDPA may require us to incur additional costs and expenses in an effort to comply with it before it becomes effective on January 1, 2023. Other states also have or are in the process of imposing similar privacy obligations. Recent laws such as the Biometric Information Privacy Act in Illinois have also restricted the use of biometric information. Such laws and regulations require us to continuously review our data processing practices and policies, may cause us to incur substantial costs with respect to compliance, and could require us to adapt our products and solutions, which may reduce their utility to our customers.

In addition, outside the United States, we are subject to foreign rules and regulations. For example, we are subject to enhanced compliance and operational requirements under the General Data Protection Regulation

(“GDPR”), which expanded the scope of data protection in the European Union (“E.U.”) to foreign companies who process the personal data of E.U. residents, imposed a strict data protection compliance regime with stringent penalties for noncompliance and included new rights for data subjects such as the “portability” of personal data. In particular, under the GDPR, fines of up to 20 million euros, or up to 4% of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for violations of certain of the GDPR’s requirements. If we were found to be in breach of the GDPR, the potential penalties we might face could have a material adverse impact on our business, financial condition, results of operations, and cash flows. Compliance with the GDPR requires time and expense and may require us to make changes to our business operations.

While the GDPR applies uniformly across the E.U., each E.U. member state is permitted to issue nation-specific data protection legislation, which has created inconsistencies on a country-by-country basis. The decision by the U.K. to leave the E.U. (“Brexit”) has created further uncertainty and could result in the application of new data privacy and protection laws and standards to our operations in the U.K., our handling of personal data of users located in the U.K., and transfers of personal data between the E.U. and U.K. As of January 1, 2021, following the expiry of transitional arrangements agreed to between the U.K. and E.U., data processing in the U.K. is governed by a U.K. version of the GDPR (combining the GDPR and the U.K’s Data Protection Act 2018), exposing us to two parallel data protection regimes, each of which potentially authorizes similar significant fines and other potentially divergent enforcement actions for certain violations. The European Commission has adopted an adequacy decision for the U.K., allowing for transfer of most personal data from the European Economic Area (“EEA”) to the U.K. However, there will be increasing scope for divergence in application, interpretation and enforcement of the data protection law as between the U.K. and EEA.

In addition, on July 16, 2020, the European Court of Justice invalidated the E.U.-U.S. Privacy Shield Framework, a mechanism under which personal data could be transferred from the EEA to U.S. entities that had self-certified under the Privacy Shield Framework. The Court also called into question the Standard Contractual Clauses (“SCCs”), noting adequate safeguards must be met for SCCs to be valid. European regulatory guidance regarding these issues continues to evolve, and E.U. regulators across the E.U. Member States have taken different positions regarding continued data transfers to the United States. In the future, SCCs and other data transfer mechanisms will face additional challenges. Given that we had self-certified under the Privacy Shield Framework, these recent developments require us to review and amend the legal mechanisms by which we make and/or receive certain personal data transfers to the United States and other jurisdictions.

The effects of U.S. state, U.S. federal, local, and international laws and regulations that are currently in effect or that may go into effect in the future are significant and may require us to modify our data processing practices and policies, cease offering certain products and solutions, and incur substantial costs and potential liability in an effort to comply with such laws and regulations. Any actual or perceived failure to comply with these and other cybersecurity, privacy, and data protection laws and regulations could result in regulatory scrutiny and increased exposure to the risk of litigation or the imposition of consent orders, resolution agreements, requirements to take particular actions with respect to training, policies or other activities, and civil and criminal penalties, including fines, which could have an adverse effect on our business, results of operations, and financial condition. Moreover, allegations of non-compliance, whether or not true, could be costly, time-consuming, and distracting to management and cause reputational harm.

Failure to comply with anti-corruption, economic and trade sanctions, and anti-money laundering laws and regulations could have an adverse effect on our business.

We are subject to evolving anti-corruption laws, economic and trade sanctions, and anti-money laundering rules in several jurisdictions in which we operate, including the United States Foreign Corrupt Practices Act and the U.K. Bribery Act. The evolution of this regulatory regime has generally brought about more aggressive investigations and enforcement, which, if targeted towards us, could materially adversely impact our business. We have policies and procedures in place to assist us with monitoring the evolution of these laws and ensuring our ongoing compliance. We are continuously in the process of reviewing, upgrading, and enhancing these protocols. However, we cannot guarantee that our employees, consultants, or agents will not take actions that amount to a violation of these laws and regulations for which we may be ultimately responsible or that our policies and procedures will be adequate in protecting us from liability. Further, our services agreements with several customers contain contractual provisions mandating our ongoing compliance with applicable anticorruption, economic, and trade sanctions or anti-money laundering laws or regulations. If we are deemed to be in violation of any such rules, our business activities could be restricted or terminated. In addition, we could face civil and criminal penalties, including fines, which could damage our reputation and customer relationships and materially impact our results of operation or financial condition.

Macroeconomic factors beyond our control, including the state of the economy, impact demand for our products and solutions.

Our results of operations are materially affected by the U.S. and global economic conditions, including the economic downturn following the recent and ongoing COVID-19 pandemic. Global credit and capital markets have experienced unprecedented volatility and disruption. Consumer confidence and spending have decreased while rates of unemployment and underemployment have increased. A substantial majority of our revenues are derived from pre-onboarding screening products, which is heavily influenced by hiring volumes. The businesses of some of our largest customers and their decision to hire depend in part on favorable macroeconomic conditions, including consumer spending, the general availability of credit, the level and volatility of interest rates, and inflation levels. To the extent these macroeconomic factors are at suboptimal levels, our existing and potential customers could delay or defer onboarding new or replacement workers, lay off existing workers to reduce headcount, or seek to decrease spending on their screening programs. As a result, our products could face reduced demand and our business, results of operations, and financial condition could be harmed. Similarly, demand for our tenant screening products is subject to trends in real estate rental markets, which may be affected by macroeconomic factors beyond our control, including housing markets, stock market volatility, recession, job losses and unemployment levels, debt levels, and uncertainty about the future.

We may not be able to identify and successfully implement our growth strategies on a timely basis or at all.

We cannot guarantee that we will succeed in appropriately identifying and successfully executing our strategic plans to grow our businesses, and our inability to do so may be the result of external factors beyond our control. Our ability to grow our business will depend, in large part, on our ability to further penetrate our existing markets, attract new customers, and identify and effectively invest in growing industry verticals. The success of any enhancement of our current products and solutions or any new product or solution depends on several factors, including the timely completion, introduction, and market acceptance of enhanced or new products and solutions, adaptation to new industry standards and technological changes, the ability to maintain and to develop relationships with third parties, and the ability to attract, retain, and effectively train sales and marketing personnel. Our growth could be limited if we fail to innovate or adapt to market trends and product innovations adequately. Any new products and solutions we develop or acquire may not be introduced in a timely or cost-effective manner and may not achieve the market acceptance necessary to generate significant revenues, and any new markets in which we attempt to sell our products and solutions, including new countries or regions, may not be receptive or implementation may be delayed. Our future growth will be adversely affected if we do not identify and invest in faster-growing industry verticals. In addition, any expansion into new markets will require an investment in the continuous monitoring of local laws and regulations, which increases our costs and the risk of the products or service failing to comply with such local laws or regulations. We may also incur costs associated with such plans that are above anticipated amounts.

To successfully manage our growth, we will also need to maintain appropriate staffing levels and update our operating, financial and other systems, procedures, and controls accordingly. Our efforts to grow our business and execute our business strategy may place significant demands on and strain our personnel and organizational structure, including our management, staff, and information systems. If we fail to effectively manage our growth, our business, results of operations, and financial condition could be materially adversely affected.

Disruptions at our Global Operating Center and other operational sites could adversely impact our business.

Our Global Operating Center in Bangalore, India provides critical support for our operations by processing screening requests, undertaking a manual review of records and verifications work, handling certain customer calls and interactions, and completing certain internal shared service support functions. We also have other important operational sites, including Fishers, Indiana; Bolingbrook, Illinois; Atlanta, Georgia; Manila, Philippines; and Mumbai, India. If our operations at our Global Operating Center or such other sites are disrupted, even for a brief period of time, whether due to malevolent acts, defects, computer viruses, climate change, natural disasters such as earthquakes, fires, hurricanes or floods, power or telecommunications failures, or other external events beyond our control, it could result in interruptions in service to our customers, damage to our reputation, harm our customer relationships, and reduced revenues and profitability. In addition, strikes, wars, terrorism, and other geopolitical unrest could cause disruptions in our business and lead to interruptions, delays, or loss of critical data. We may not have sufficient protection or recovery plans in certain circumstances, such as a significant natural disaster, and our business interruption insurance may be insufficient to compensate us for losses that occur. In the case of such an event, customers could elect to terminate our relationship, delay or withhold payment to us, or even make claims against us.

Any damage to our reputation or our brand could adversely affect our business, financial condition, and results of operations.

Developing, protecting, and maintaining our strong reputation among customers, applicants, and third-party partners and vendors is critical to our success. The importance of our brand may increase if competitors offer more products similar to ours or if more competitors enter the market. Our brand may suffer if our service quality declines or if our customer initiatives are not successful. Additionally, the successful protection and maintenance of our brand will depend on our ability to obtain, maintain, protect, and enforce trademark and other intellectual property protection for our brand. If we fail to successfully promote, protect, and maintain our brand, we may lose our existing customers to our competitors or be unable to attract new customers.

The value of our intellectual property and other proprietary rights associated with our brand could diminish if others assert rights in or ownership of trademarks or service marks that are similar to our trademarks or service marks. Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. Opposition or cancellation proceedings may be filed against our trademarks, which may not survive such proceedings. We may be unable to prevent competitors or other third parties from acquiring or using trademarks or service marks that are similar to, infringe upon, misappropriate, dilute, or otherwise violate or diminish the value of our trademarks and service marks, thereby impeding our ability to build brand identity and possibly leading to market confusion. Damage to our reputation or our brand or loss of confidence in our products and solutions could result in decreased demand for our products and solutions, and our business, financial condition, and results of operations may be materially adversely affected.

To the extent our customers reduce their operations, downsize their screening programs, or otherwise demand fewer of our products and solutions, our business could be adversely impacted.

Demand for our products and solutions is subject to our customers' continual evaluation of their need for our products and solutions and is impacted by several factors, including their budget availability, hiring, and workforce needs, and a changing regulatory landscape. Demand for our offerings is also dependent on the size of our customers' operations. Our customers could reduce their operations for a variety of reasons, including general economic slowdown, divestitures and spin-offs, business model disruption, poor financial performance, or as a result of increasing workforce automation. Demand for drug screenings may decline as a result of evolving U.S. drug laws. For example, the legalization of cannabis in several U.S. states has led to a decrease in orders for marijuana screenings. Our revenues may be significantly reduced should our customers decide to downsize their screening programs or take such programs in-house.

We operate in a penetrated and competitive market.

The global market for our screening, verifications, and adjacent products is fragmented and competitive. Our competitors vary based on customer size, industry vertical, geography, and product focus. We compete with large players with broad capabilities and product suites, vertical-focused specialist firms that target customers operating in select industries, mid-size players, competitors that serve small and medium-sized business ("SMB") customers as well as smaller companies serving primarily local businesses. Some competitors are aligned to a specific product in certain pre-onboarding product lines, such as drug / health screening and executive screening. In our adjacent products market, we compete with certain companies specializing in fleet / vehicle compliance, resident / tenant screening, hiring tax credit screening, and pre-investment screening.

New entrants to the market have in the past emerged, both as start-ups as well as participants in adjacent sectors such as applicant tracking systems and payroll processing companies that seek to integrate background screening into their onboarding products and solutions, and may emerge in the future, which would further increase competition. Additionally, our customers may also decide to insource work that has been traditionally outsourced to us.

In our competitive market environment, we primarily compete on the basis of brand and awareness, accuracy, turnaround time, and price. We must continue to innovate and ensure market acceptance of our products and solutions in order to maintain and grow our business and market share. We are continually subject to the risk that our competitors may develop products and technologies that are superior to ours or achieve greater market acceptance than ours. Continuing strong competition could result in pricing pressure, increased sales and marketing expenses, loss of customers, and greater investments in research and development, each of which could negatively impact our results of operations. The revenues of our competitors and the resources they have available vary depending on size, specialty, and geographic footprint. Some competitors may be able to allocate resources more efficiently than we can or anticipate and respond to existing and emerging market trends, customer preferences, and technologies due to their size and resources. If we fail to compete successfully, our business, financial position, and results of operations could be materially and adversely affected.

We are not guaranteed exclusivity or volumes in our contracts with our customers.

We enjoy long-standing relationships with many of our customers, but our customer contracts and services agreements do not typically require our customers to use our products exclusively or commit to minimum engagement or order volumes. As a result, we rely on our customers' continuing demand for our products and solutions, our technology, our value proposition, and our brand and reputation to compete. Our customers can stop doing business with us for any reason at any time with minimal notice and without penalty, which they may leverage to renegotiate our arrangements on terms less favorable to us. The loss of a significant customer or any reduced demand for our products and solutions by our customers, especially our large customers, would have a negative impact on our business. For the year ended December 31, 2020, on a pro forma basis, we had one customer who accounted for approximately 12% of our revenues. For the nine months ended September 30, 2021, there were no customers who accounted for more than 10% of our revenues. We cannot guarantee that we will maintain relationships with any of our customers on acceptable terms or at all or retain, renew or expand upon our existing agreements. The failure to do so could negatively affect our business, financial condition, and results of operations.

We rely on third-party data and service providers. If they are unable to deliver or perform as expected, our ability to operate effectively may be impaired, and our business may be materially and adversely affected.

We rely extensively on data, information, and services provided by or derived from a variety of external sources, including our suppliers, customers, strategic partners, various public filings, credit bureaus, publicly available information, and government authorities. Our suppliers could at any point decline to continue providing data or provide untimely or inaccurate data. These data sources have in the past increased the costs for their services, and we expect they will continue to do so from time to time. It may not be possible for us to
recover any or all of the costs of any increases in fees by passing such costs along to our customers. If we try to

do so, it could have a negative impact on customer relationships. In addition, the increase in such costs could cause our customers to choose to forgo certain services, thereby reducing demand for our products and solutions. Our suppliers could also request or require us to enter into minimum order contracts with clawback enforcement provisions. Some suppliers, such as certain criminal data suppliers and drug testing laboratories and collection sites we use, are also owned or may in the future be acquired by one or more of our competitors, which could make us especially vulnerable to unforeseen price increases or outright declinations to continue our relationships. Because our agreements with third-party data providers are generally non-exclusive, we are subject to the risk they may choose to enter into an exclusive arrangement with one of our competitors or maintain an exclusive proprietary database that is not shared with us. These risks could be exacerbated if our customers request we engage with a particular provider for their orders. We cannot guarantee that we will be able to identify and engage replacement providers on acceptable terms or obtain data from alternative sources in the event our suppliers are no longer able or are unwilling to provide us with certain data or services. If we were to lose access to external data or if our access or use were restricted or were to become less economical or desirable, our ability to timely complete requested services and products at a level of quality acceptable to our customers could be negatively impacted, which could adversely affect our business, results of operations and financial condition.

Data collection and verification by screening providers is dependent on access to databases run by government and law enforcement agencies, including the Federal Bureau of Investigation, state, and federal courthouses, and records systems. If we were to lose or face diminished access to one or more of these data sources, or if government personnel were unable or unwilling to access these data sources on our behalf, our operations could be negatively impacted, and our sales could suffer. Such interruptions result from government shutdowns or slowdowns, such as those that recently occurred during the COVID-19 pandemic, changing laws and regulations, or natural disasters such as earthquakes, hurricanes, or floods. For example, after Hurricane Maria in 2017, certain government and court records in Puerto Rico were unavailable or not updated for an extended period of time. The inability to access or a delay in accessing essential information could result in lengthened and unsatisfactory turnaround times or our inability to offer certain of our products and solutions.

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.

The nature of the products and solutions we provide and the information and data collected, processed, transmitted, disclosed, used, and reported by us (including personal information, confidential information, and other sensitive and/or regulated information) subjects us to potential liability from customers, consumers, data subjects, third parties, and government authorities relating to claims of legal or regulatory non-compliance, defamation, invasion of privacy, false light, negligence, intellectual property infringement, misappropriation or other violation and/or other related causes of action. Such liability may depend on actions or events beyond our control, such as how our customers use the information we provide or the veracity of the data we are provided by third parties. For example, we may from time to time be subject to legal claims by applicants for allegedly failing to comply with the FCRA in relation to issues regarding the accuracy of our reports. Likewise, our customers may seek indemnification for losses allegedly caused by negligent hiring or retention by asserting our reports failed to disclose information that would have resulted in an adverse employment decision had it been reported. Such lawsuits and other proceedings could divert resources from our management and potentially subject us to equitable remedies. In addition, punitive damages are available as a remedy under the FCRA, which we are subject to and are generally not covered by insurance. We may also face adverse publicity in connection with such incidents, which could have a negative effect on our reputation and business.

Disruptions with our technology and network infrastructure, including our data centers, servers, and third-party cloud and internet providers, and our migration to the cloud, could have an adverse impact on our business.

Our operating model depends on the efficient and unimpeded operation of our global technology platform and data processing systems. We currently operate data centers and servers around the world. We also rely on our third-party cloud providers to host certain of our websites, databases, and web-based services. Our property and business interruption insurance coverage may not be adequate to fully compensate us for losses that may occur. Severe impairment or total destruction of our data centers could occur, and recovery could be difficult and may not be possible at all. In the event of an accessibility outage or other incident at our data centers or with respect to our third-party cloud providers, our operations could be disrupted, data could be lost, our systems or the quality of our products and solutions could be compromised, and we could suffer financial loss, reputation damage, potential liability, or customer loss, any of which could have an adverse impact on our business, results of operations, and financial condition. Such outages may be impossible to predict, plan for, or avoid.

Because we rely on such third-party cloud providers, we are subject to risks that we can neither control nor mitigate, including their vulnerability to damage from climate change, earthquakes, hurricanes, floods, acts of terrorism, power loss, telecommunications and other service failures, break-ins, human error, and similar events. Our current or future third-party cloud providers could decide to close their facilities without adequate notice or otherwise cease doing business with us. We cannot guarantee that our current or future third-party cloud providers will keep up with our increasing capacity needs or customer demand. In addition, our users depend on internet service providers, online service providers, and other website operators for access to our systems. These providers could experience outages, delays, and other difficulties due to system failures unrelated to our systems, events which are beyond our control, or mitigation. Any changes in service levels by our current or future third-party cloud providers could result in loss or damage to our stored information and result in operational delays. Any of these events could seriously harm our business, results of operations, and financial condition.

We are currently transitioning towards hosting certain of our technology platform on cloud-based technology. This transition is complex and will require significant changes to our platforms. Scaling and adapting our technology will require a significant lead time and investment in financial and human capital. We cannot guarantee that this transition will be without operational interruptions or other forms of disruption, including loss of information, delayed turnaround times, and deficiencies in our design, implementation, or maintenance of the system. If we experience outages or interruptions in the products and solutions we provide for extended periods of time, our customers could face accessibility issues which would have an adverse impact on our business, results of operations, and financial condition.

Our business, brand, and reputation may be harmed as a result of security breaches, cyber-attacks, employee or other internal misconduct, computer viruses, or the mishandling of personal data.

Our products entail the collection, use, processing, disclosure, storage, and transmission of personal information, confidential information, and other sensitive and/or regulated information of individuals, including personal data.

In general, we utilize encryption and other technologies designed to provide system security for the transmission of confidential or personal data. There is no assurance that our use of applications and other technologies designed for data security, or that of our third-party vendors and service providers, will effectively counter security risks from hackers, computer viruses, and/or other intrusions or incidents. If one of more of our or our vendors' facilities, computer networks, or databases were to experience a security breach, we could face a risk of loss of, or unauthorized access to and use of, personal data, confidential information, and other sensitive and/or regulated data, which could harm our business and reputation and result in a loss of customers or the imposition of fines or other penalties by governmental agencies, in addition to potential legal claims by our customers and their applicants and employees. Although we have put in place a number of controls and automated redundancies, our protocols and processes can also be violated due to human error, including as a result of phishing and other attempts by others to fraudulently induce the improper disclosure of sensitive information.

The techniques utilized and planned by hackers, bad actors, and other unauthorized entrants are varied and constantly evolving and may not be detected until a breach has occurred. As a result, despite our efforts, it may be difficult or impossible for us to implement measures that fully prevent such attacks or react in a timely manner. Unauthorized parties may in the future attempt to gain access to our systems or facilities through various means, including, among others, hacking into our or our consumers' systems or facilities, or attempting to fraudulently induce our employees, consumers or others into disclosing usernames, passwords, or other sensitive information, which may, in turn, be used to access our information technology systems and gain access to our data or other confidential, proprietary, or sensitive information. Such efforts may be state-sponsored and supported by significant financial and technological resources, making them even more difficult to detect and prevent.

Further, certain of our employees have access to sensitive information about the applicants whom we perform background screenings and verifications on. In addition, certain of our third-party service providers and vendors have access to limited portions of our IT systems and may also be subject to such attempts, which then can be used to attempt to infiltrate our systems. Because we do not control our vendors or the processing of data by our vendors, other than through our contractual relationships, our ability to monitor our vendors' data security may be very limited such that we cannot ensure the integrity or security of measures they take to protect and prevent the loss of our or our consumers' data. As a result, we are subject to the risk that cyber-attacks on, or other security incidents affecting, our vendors may adversely affect our business even if an attack or breach does not directly impact our systems. It is also possible that security breaches sustained by, or other security incidents affecting, our competitors could result in negative publicity for our entire industry that indirectly harms our reputation and diminishes demand for our products and solutions.

Furthermore, international, federal and state regulators and many international, federal and state laws and regulations require notice of certain data security breaches that involve personal information, which, if applicable, could lead to widespread negative publicity, which may cause our customers to lose confidence in the effectiveness of our data security measures. In addition, we may incur significant costs and operational consequences in connection with investigating, mitigating, remediating, eliminating, and putting in place additional measures designed to prevent future actual or perceived security incidents, as well as in connection with complying with any notification or other obligations resulting from any security incidents.

Our insurance policies may not be adequate to reimburse us for losses caused by security breaches, and we may not be able to collect fully, if at all, under these insurance policies. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business. Furthermore, we cannot be certain that insurance coverage will continue to be available on acceptable terms or at all, or that the insurer will not deny coverage as to any future claim.

If we are unable to fully protect the security and privacy of our data and electronic transactions, or if we or our third-party service providers are unable to prevent any data security breach, incident, unauthorized access, and/or misuse of our information by our customers, employees, vendors, or hackers, it could result in significant liability (including litigation and regulatory actions and fines), cause lasting harm to our brand and reputation, and cause us to lose existing customers and fail to win new customers.

If we fail to continue to integrate our platforms and solutions with that of human resource software providers or if our relationships with human resource software providers deteriorate, our business could be adversely affected.

We partner with many third-party human resource software providers, including applicant tracking systems and human capital management systems, to ensure that customers benefit from an integrated solution that allows them to easily perform both human resource functions and screenings and verifications through a single platform. This depends on our ability to seamlessly integrate our platforms and systems with those of the human resource software providers. If our partnership or arrangements with such providers are terminated for any reason, we risk losing the opportunity for continued integration with the software applications of these companies, which could jeopardize our ability to provide a seamless interface for our customers, result in service disruptions, increase costs and reduce the quality of our products, and ultimately put us at a competitive disadvantage in maintaining our customer relationships and obtaining new ones. Further, if a provider updates its products without providing sufficient notice to us, there could be disruptions to the integration, which could result in errors, delays, and interruptions.

In addition, these third-party human resource software providers are often sources of positive references when a customer is looking to make a purchase or contract renewal decision and may also be a source of new business referrals. If our relationships with these third parties were to deteriorate or if our arrangements with them were to expire, our business and our ability to win new customers and retain existing customers may be adversely affected.

We are subject to risks relating to public opinion, which may be magnified by incidents or adverse publicity concerning our industry or operations.

We operate in an industry that involves the risk of negative publicity, especially relating to cybersecurity, privacy, and data protection, and adverse developments with respect to our industry may also, by association, negatively impact our reputation. For example, when information services companies are involved in high-profile events involving data theft, these events could result in increased legal and regulatory scrutiny, adverse publicity, and potential litigation concerning the commercial use of such information for our industry in general. If there is a perception that the practices of our business or our industry constitute an invasion of privacy, our business and results of operations may be negatively impacted. There have been and may continue to be perception issues, social stigmas, and negative media attention regarding the collection, use, accuracy, correction, and sharing of personal data, which could materially adversely affect our business, results of operations, and financial condition.

We rely on third-party vendors to carry out certain portions of our operations. If they cannot deliver or perform as expected or if our relationships with them are terminated or otherwise change, our business operations and results of operations could be materially and adversely affected.

Our ability to deliver products to our customers effectively requires us to work with certain third-party vendors and service providers. For example, we engage third-party vendors to maintain and upgrade portions of our software and technology platforms. In addition, from time to time and in certain geographic locations, we engage third-party support service providers depending on-demand requirements on our operations and customer service call centers. Our business, therefore, depends on such third parties meeting our expectations and the expectations of our customers in timeliness, quality, and volume. We cannot guarantee our third-party providers will be able to do so on a cost-effective basis or at all due to a number of factors, including those attributable to the COVID-19 pandemic. Some of the third-party vendors that we rely on conduct operations outside the United States, which subjects us to the risk that economic, political, and military events in foreign jurisdictions might cause an interruption to our operations. We may not be able to ensure that our third-party vendors perform in accordance with agreed-upon, regulated, and expected standards. We could be held accountable for their failure to do so, which may subject us to fines or other sanctions. If our third-party vendors do not meet our expectations and those of our customers, it could negatively affect our reputation, harm our relationships with existing customers, and hamper our ability to win new customers.

While we have entered into agreements with some of these third-party service providers, they have no obligation to renew their agreements with us on commercially reasonable terms or at all. If any one of our third-party service provider’s ability to perform their obligations was impaired, we may not be able to find an alternative supplier in a timely manner or on acceptable financial terms, which could result in operational interruptions.

In addition, any shift in business strategy, corporate reorganization, or financial difficulties, such as bankruptcy faced by our third-party providers, may have negative effects on our ability to implement our business strategy.

Any termination of our agreements with, or disruption in the performance of, one or more of these third-party providers could result in operational disruptions and delayed turnaround times. This could adversely impact our relationships with our existing customers, reduce our ability to attract new customers, impact our ability to innovate and introduce new products and solutions, and result in an inability to meet our obligations or require us to seek alternative service providers on less favorable terms, any of which can adversely affect our business, results of operations, and financial condition.

Our international business exposes us to a number of risks.

We perform screenings and verifications internationally, including helping businesses screen their applicants with backgrounds that include international jurisdictions outside of the business' domestic base of operations. In 2020, we performed screenings for our customers on individuals from more than 200 countries and territories, and we continue to expand our international operations. The laws and regulations governing our international operations are numerous, varied, and evolving. It may be difficult to correctly identify, interpret, and ensure compliance with these laws and regulations, and we cannot be certain we will avoid liability for noncompliance or improper compliance with such laws and regulations. Any such cost or liability could have a material adverse effect on our business, financial condition, and results of operations. See "—We operate in a highly regulated industry and are subject to numerous and evolving laws and regulations" and "—If regulatory regimes continue to heighten their scrutiny over personal data and data security, it could lead to increased restrictions, loss of revenue opportunity, greater costs of compliance, and lost efficiency."

Because we generate a portion of our revenues and operating income outside of the United States, we are exposed to market risk from changes in foreign currency exchange rates that could impact our results of operations, financial position, and cash flows. Such fluctuations could have a negative or positive impact on our revenues and results of operations in any given period, which may make it difficult to compare our operating results across different periods. Foreign currency exchange rate fluctuations may also adversely impact third-party vendors we rely on for services, which may be passed along to us in the form of price increases.

In addition, as a result of our international footprint, our business, financial condition, and results of operations could be subject to factors beyond our control, including, but not limited to:

- our ability to oversee and staff our international operations;
- foreign exchange controls that might prevent us from repatriating cash to the United States;
- unfavorable foreign tax rules;
- language and cultural differences;
- trade relations, political and economic instability, and international conflicts;
- non-compliance with applicable currency exchange control regulations, transfer pricing regulations, or other similar regulations;
- violations of the Foreign Corrupt Practices Act or similar anticorruption laws by acts of agents and other intermediaries whom we have limited or no ability to control; and
- violations of regulations enforced by the U.S. Department of The Treasury's Office of Foreign Asset Control.

Our continued success depends in large part on the service of our key executives and our ability to find and retain qualified employees.

We depend to a large degree on the personal efforts, abilities, and performance of the members of our senior leadership team and other key personnel. Our current management team has led our company since 2017 and in that time has driven strategic and transformational initiatives across operations, product, engineering, and sales to accelerate growth and product development. Although we maintain employment contracts with certain of our officers, the possibility remains they may terminate their employment relationship with us at any time. If any of our key personnel were unable or unwilling to continue in their present positions, it may be difficult to replace them, and their departure could adversely affect our business, financial condition, and results of operations.

Our ability to grow our business and provide our customers with the products and solutions they have grown to expect from us is also dependent on our ability to attract and retain highly motivated and qualified people. Competition for skilled employees in our industry is intense and, if we are unable to attract and retain an able workforce, our business, results of operations, and financial condition may suffer.

If we are unable to obtain, maintain, protect and enforce our intellectual property and other proprietary information, or if we infringe, misappropriate or violate the intellectual property rights of others, the value of our brands and other intangible assets may be diminished, and our business may be adversely affected.

Our intellectual property rights and other proprietary rights are important to our business, and our ability to compete and our success depend, in part, on obtaining, maintaining, protecting, and enforcing such rights. In particular, the technology solutions we have created to deliver screening solutions, automate and integrate our platforms with third-party human capital management and applicant tracking systems, and gather and process information from various data sources and suppliers are critical to the success of our business. We rely on a combination of patent, copyright, trademark, and trade secret laws, as well as licensing agreements, intellectual property assignment agreements, third-party nondisclosure agreements, and other confidentiality agreements with our employees, customers, vendors, partners, and others to protect our intellectual property rights. These protections may not be adequate to prevent our competitors from copying our products and solutions or otherwise infringing on, misappropriating, or violating our intellectual property rights, and we may need to devote significant additional resources and time to ensure our intellectual property rights are adequately protected, including by bringing litigation against third parties to enforce our intellectual property rights. We cannot guarantee that we will be successful in prevailing in any such matters, regardless of our expenditures and efforts. Our efforts to enforce our intellectual property and other proprietary rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property and other proprietary rights, and if such defenses, counterclaims, or countersuits are successful, it could diminish or we could otherwise lose valuable intellectual property and other proprietary rights. In addition, some of the laws in foreign markets in which we operate do not protect intellectual property and other proprietary rights to the same level of protection as do the laws of the United States, and the mechanisms for enforcement of intellectual property and other proprietary rights in such countries may be inadequate.

In addition, our competitors and other third parties may also design around or independently develop similar technology or otherwise duplicate or mimic our products such that we would not be able to successfully assert our intellectual property or other proprietary rights against them. We cannot assure that any future patent, trademark, or service mark registrations will be issued for our pending or future applications or that any of our current or future patents, copyrights, trademarks, or service marks (whether registered or unregistered) will be valid, enforceable, sufficiently broad in scope, provide adequate protection of our intellectual property or other proprietary rights, or provide us with any competitive advantage.

Furthermore, we may also be subject to claims of intellectual property infringement, misappropriation, or violation by third parties, including our competitors. Even if we are unaware of such rights, we may be found by courts to be infringing upon, misappropriating, or violating them. If successfully asserted against us or if we decide to settle such matters, we could be required to pay substantial damages or ongoing royalty payments, obtain licenses, which may not be available on commercially reasonable terms, or at all, modify our products and solutions (including our applications), or discontinue certain products. We may also be obligated to indemnify applicants, customers, vendors, or partners in connection with any such claim or litigation. Even if we prevail in a dispute, any litigation regarding intellectual property could be costly, time-consuming, and require the deployment of significant resources, and could result in lasting harm being done to our brand and reputation, results of operations or financial condition, or have other adverse consequences.

If we are unable to maintain, protect and enforce the confidentiality of our trade secrets, our business and competitive position would be harmed.

In order to safeguard our innovations and competitive advantages, we partially rely on trade secrets. We cannot guarantee that we will be successful in maintaining, protecting, or enforcing the confidentiality of our trade secrets or that our non-disclosure agreements will provide sufficient protection of our trade secrets, know-how, or other proprietary information in the event of any unauthorized use, misappropriation, or other disclosure. Although we have taken steps to protect our trade secrets, including entering into confidentiality agreements with third parties and confidential information and inventions agreements with employees, consultants, and advisors, we cannot provide any assurances that any of these parties may not breach the agreements and disclose our proprietary information, including our trade secrets. For example, if a party to one of our non-disclosure agreements were to breach said agreement, we cannot guarantee that adequate remedies will be available to rectify any subsequent damages or losses of confidential and proprietary information. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. It is also possible that our trade secrets will become known by some other mechanism or independently developed by our competitors, and we would have no right to prevent them from using that technology or information to compete with us. For example, a significant portion of our proprietary databases is assembled from publicly available information sources, and third parties, including our competitors, could compile similar or competing databases by accessing the same publicly available information sources.

The use of open-source software in our applications may expose us to additional risks and harm our intellectual property rights.

We have in the past and may in the future continue to incorporate certain “open source” software into our codebase and our products and solutions. Open-source software is generally licensed by its authors or other third parties under open source licenses, which typically do not provide any representations, warranties, or indemnity coverage by the licensor. Some of these licenses provide that combinations of open source software with a licensee’s proprietary software are subject to the open source license and require that the combination be made available to third parties in source code form, at no cost, or subject to other unfavorable conditions. Some open-source licenses may also require the licensee to grant licenses under certain of its own intellectual property to third parties. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate such software into their products or applications. The terms of various open-source licenses have not been interpreted by courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our use of open-source software or our proprietary rights. In addition, if we were to combine our applications with open source software in a certain manner, we could, under certain of the open-source licenses, be required to publicly release or license, at no cost, our products that incorporate the open source software or the affected portions of our source code, which could allow our competitors or other third parties to create similar products and solutions with lower development effort, time, and costs, and could ultimately result in a loss of transaction volume for us. If we inappropriately use open-source software, we may be required to redesign our applications, seek licenses from third parties in order to continue offering our products, which may not be available on commercially reasonable terms, or at all, discontinue the sale of our products or solutions, or take other remedial actions, each of which could reduce or eliminate the value of our technologies and could adversely impact our business, operating results, or financial condition.

We cannot ensure that we have not incorporated open source software in our software in a manner that is inconsistent with the terms of the applicable license or our current policies, and we may inadvertently use open source in a manner that we do not intend, or that could expose us to claims for breach of contract or intellectual property infringement, misappropriation, or other violation. If we fail to comply, or are alleged to have failed to comply, with the terms and conditions of our open source licenses, we could be required to incur significant legal expenses defending such allegations, be subject to significant damages, be enjoined from the sale of our products and solutions, and be required to comply with onerous conditions or restrictions on our products and solutions, any of which could be materially disruptive to our business. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition, or require us to devote additional development resources to change our applications.

Real or perceived errors, failures, or bugs in our products could adversely affect our business, results of operations, financial condition, and growth prospects.

Our products are complex, and therefore undetected errors, failures, bugs, or defects may be present in our products or occur in the future in our products, our technology or software or technology or software we license in from third parties, including open source software, especially when updates or new products are released. Such software and technology are used in IT environments with different operating systems, system management software, devices, databases, servers, storage, middleware, custom, and third-party applications and equipment and networking configurations, which may cause errors, failures, bugs, or defects in the IT environment into which such software and technology are deployed. This diversity increases the likelihood of errors, failures, bugs, or defects in those IT environments. Despite testing by us, real or perceived errors, failures, bugs, or defects may not be found until our customers use our products. Real or perceived errors, failures, bugs or defects in our products could result in negative publicity, loss of or delay in market acceptance of our products and harm to our brand, weakening of our competitive position, claims by customers for losses sustained by them or failure to meet the stated service level commitments in our customer agreements. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend significant additional resources in order to help correct the problem. Any real or perceived errors, failures, bugs, or defects in our products could also impair our ability to attract new customers, retain existing customers or expand their use of our products, which would adversely affect our business, results of operations, and financial condition.

Additionally, if customers fail to adequately deploy protection measures or update our products, customers and the public may erroneously believe that our products are especially susceptible to cyber-attacks. Real or perceived security breaches against our products could cause disruption or damage to our customers' networks or other negative consequences and could result in negative publicity to us, damage to our reputation, lead to other customer relations issues and adversely affect our revenue and results of operations. We may also be subject to liability claims for damages related to real or perceived errors, failures, bugs, or defects in our products. A material liability claim or other occurrence that harms our reputation or decreases market acceptance of our products may harm our business and results of operations. Finally, since some of our customers use our products for compliance reasons, any errors, failures, bugs, defects, disruptions in service, or other performance problems with our products may damage our customers' business and could hurt our reputation.

Our estimates of the total addressable market, current market, market opportunity, and potential for market growth may prove to be inaccurate, which could impact our predicted operations.

We cannot guarantee that estimates and forecasts we rely upon in this prospectus relating to the size, composition, and expected growth of our target market will prove to be accurate, particularly as it relates to international markets where there is less information about hiring volumes and trends, as well as greater prevalence of smaller local players. Any market opportunity estimates or growth forecasts are based on assumptions and estimates that may not come to fruition or prove to be accurate, subjecting such predictions to uncertainty. For more information regarding the estimates of market opportunity and the forecasts of market growth included in this prospectus, see "Business—Our Market Opportunity."

We may not be able to identify attractive acquisition targets and strategic partnerships or successfully complete such transactions.

Part of our strategy is to selectively pursue complementary acquisitions and strategic partnerships. Opportunities to grow our business through acquisitions, joint ventures, and other alliances may not be available to us in the future. We cannot guarantee that we will be able to identify attractive targets that are a strategic fit with our business or that we will be able to agree upon acceptable terms. Our ability to successfully identify and complete future acquisitions with reasonable valuations may also be affected by factors out of our control, including general market conditions, volatility in the capital and debt markets, and other macroeconomic and geopolitical risks. Furthermore, a number of our competitors expand and diversify through acquisitions, and we likely will experience competition in our effort to execute our acquisition strategy. As a result, we may be unable to continue to make acquisitions or may be forced to pay more for the companies we are able to acquire.

We may not be able to integrate or manage acquired businesses, including the businesses we recently acquired, Corporate Screening Services, Inc. and MultiLatin Advisors, S.A. de C.V., and strategic partnerships so as to produce returns that justify the investment. Integrating acquisitions or other business relationships may result in unforeseen operating difficulties and expenditures, disrupt our ongoing business, divert our resources, and require significant management attention that would otherwise be available for the ongoing development of our business. In particular, it may prove difficult to integrate the personnel, operations, intellectual property, and/or technology systems of any acquired organizations, and to maintain uniform standards, policies, and procedures across multiple platforms and locations, including for those located outside the United States. This may result in a greater than anticipated increase in the transaction, remediation, and integration costs and could discourage us from entering into acquisitions where the potential for such costs outweigh the perceived benefit. Further, although we conduct due diligence with respect to the business and operations of each of the companies we acquire, we may not have identified all material facts concerning these companies, which could result in unanticipated events or liabilities. We cannot guarantee that any acquisitions we seek to enter into will be carried out on favorable terms or that the anticipated benefits of any acquisition, investment, or business relationship will materialize as intended or that no unanticipated liabilities will arise.

Seasonality may cause our operating results to fluctuate from quarter to quarter.

We experience seasonality with respect to certain industries we service 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 September through November months leading up to the holiday season and lowest at the beginning of the first quarter following the holiday season. Certain customers across various industries also historically ramp up their hiring throughout the first half of the year as winter concludes, commercial activity tied to outdoor activities increases, and the school year ends, giving rise to student and graduate hiring. In addition, apartment rental activity and associated screening activity typically decline in the fourth quarter heading into the holiday season.

In addition, customers may elect to complete post-onboarding screening such as workforce re-screens and other products at different periods and intervals during any given year. It is not always possible to accurately forecast the timing and magnitude of these projects.

Further, digital transformation, growth in e-commerce, and other economic shifts can impact seasonality trends, making it difficult for us to predict how our seasonality may evolve in the future. As a result, it may be difficult to forecast our results of operations accurately, and there can be no assurance that the results of any particular quarter or other period will serve as an indication of our future performance.

Our implementation cycles can be lengthy and variable, depend upon factors outside our control, and could cause us unexpected delays in generating revenues or result in lower than anticipated revenues.

Unexpected delays and difficulties can occur as customers implement and test our products and solutions. Implementation typically involves integration with our customers' and third-party systems and internal processes, as well as adding customer and third-party data to our platform. This can be complex and time-consuming for our customers and can result in delays. We provide our customers with upfront estimates regarding the duration and resources associated with the implementation of our products and solutions. However, delays may occur due to discoveries made during the implementation process, such as unique or unusual customer requirements or our internal limitations. If we are unable to resolve these issues and we fail to meet the upfront estimates and the expectations of our customers, it could result in customer dissatisfaction, loss of customers, delays in generating revenues, or negative brand perception about us and our products and solutions. Our implementation cycles could also be disrupted by factors outside of our control, such as deficiencies in the platform of our customers or third-party ATS or HCM systems, which could adversely affect our business, results of operations, and financial condition.

The interpretation of tax laws may have a material adverse effect on our business.

Tax laws and related interpretations with respect to income taxation are frequently reviewed and amended by governmental bodies, officials, and regulatory agencies in the United States and other jurisdictions in which we do business. Our provision for income taxes may be adversely affected by changes to our operating model, changes in the mix of income and expenses in countries with differing tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws, regulations, or administrative interpretations. For example, there are several proposals to change the current tax law, including an increase in the U.S. corporate income tax rate from 21% to 28%, doubling the rate of tax on certain earnings of foreign subsidiaries, creation of a 10% penalty on certain imports, and a 15% minimum tax on worldwide book income. If any or all of these (or similar) proposals are ultimately enacted into law, in whole or in part, they could have a negative impact on our effective tax rate. It cannot be predicted whether or when tax laws, regulations, and rulings may be enacted, issued, or amended that could materially and adversely impact our financial position, results of operations, or cash flows.

Risks Related to Our Indebtedness

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.

We have a significant amount of indebtedness. As of September 30, 2021, we had $564.7 million of total debt outstanding and $100.0 million available under our revolving credit facility.

Our indebtedness increases the risk that we may be unable to generate cash sufficient to pay amounts due in respect of our indebtedness. Our indebtedness could have other important consequences to us, including:

- increase our vulnerability to adverse changes in the general economic, industry, and competitive conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- require us to repatriate cash from our foreign subsidiaries to accommodate debt service payments;
- expose us to the risk of increased interest rates as certain of our borrowings, including borrowings under our term loan facility and revolving credit facility, are at variable rates, and we may not be able to enter into interest rate swaps, and any swaps we enter into may not fully mitigate our interest rate risk;
- restrict us from capitalizing on business opportunities;
- make it more difficult to satisfy our financial obligations, including payments on our indebtedness;

- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy, or other general corporate purposes.

In addition, the credit agreement governing our term loan facility and revolving credit facility contains, and the agreements governing future indebtedness may contain, restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default that, if not cured or waived, could result in the acceleration of all of our indebtedness.

We may be able to incur significant additional indebtedness in the future. Although the credit agreement governing our term loan facility and revolving credit facility contain restrictions on the incurrence of additional indebtedness by us, such restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. Also, these restrictions do not prohibit us from incurring obligations that do not constitute indebtedness as defined therein. To the extent that we incur additional indebtedness or such other obligations, the risk associated with our indebtedness described above will increase. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Long-Term Debt.”

We will require a significant amount of cash to service our debt, and our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could materially adversely affect our business, results of operations, and financial condition.

Our ability to make payments on and to refinance our indebtedness and to fund working capital needs and planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, business, legislative, regulatory, and other factors that are beyond our control.

If our business does not generate sufficient cash flow from operations or if future borrowings are not available to us in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs, we may need to refinance all or a portion of our indebtedness on or before the maturity thereof, sell assets, reduce or delay capital investments or seek to raise additional capital, any of which could have a material adverse effect on our operations. In addition, we may not be able to effect any of these actions, if necessary, on commercially reasonable terms or at all. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, including the credit agreement governing our term loan facility and revolving credit facility, may limit or prevent us from taking any of these actions. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance or restructure our obligations on commercially reasonable terms or at all, would have an adverse effect, which could be material, on our business, results of operations, and financial condition, as well as on our ability to satisfy our obligations in respect of our term loan facility and revolving credit facility.

Our debt instruments restrict our current and future operations, particularly our ability to respond to changes or take certain actions.

The credit agreement governing our term loan facility and revolving credit facility impose significant operating and financial restrictions and limit our ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock;

- prepay, redeem or repurchase certain debt;
- make acquisitions, investments, loans, and advances;
- sell or otherwise dispose of assets;
- incur liens;
- enter into transactions with affiliates;
- enter into agreements restricting our subsidiaries' ability to pay dividends;
- consolidate, merge or sell all or substantially all of our assets; and
- engage in certain fundamental changes, including changes in the nature of our business.

As a result of these covenants and restrictions, we are and will be limited in how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. In addition, we are required to maintain specified financial ratios and satisfy other financial condition tests. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot guarantee that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

Our failure to comply with the restrictive covenants described above as well as others contained in our future debt instruments from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms, our results of operations and financial condition could be adversely affected.

Our failure to comply with the agreements relating to our outstanding indebtedness, including as a result of events beyond our control, could result in an event of default that could materially adversely affect our business, results of operations, and financial condition.

If there were an event of default under any of the agreements relating to our outstanding debt, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. Our assets or cash flow may not be sufficient to fully repay borrowing under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our secured debt, the holders of such debt could proceed against the collateral securing such debt. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments. As a result, any default by us on our debt could have a materially adverse effect on our business, results of operations, and financial condition.

The phase-out of LIBOR could affect interest rates under our credit facilities.

The United Kingdom's Financial Conduct Authority has announced it intends to stop compelling banks to submit rates for the calculation of the London Interbank Offered Rate ("LIBOR"). It is expected that certain LIBOR panels will disappear after 2021, while remaining LIBOR panels will expire by June 30, 2023 and companies and firms have been urged to be able to run their business without LIBOR and to reduce the stock of "legacy" LIBOR contracts. It is unclear if a new method of calculating LIBOR will be established, or if an alternative reference rate will be established. The Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee, which identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative to U.S. dollar LIBOR in derivatives and other financial contracts. In addition, since April 2018, the Bank of England has been setting the primary sterling interest rate benchmark using Sterling Over Night Index Average rate ("SONIA") so that SONIA will be established as the primary sterling interest rate benchmark by the end of 2021. We are not able to predict when LIBOR will cease to be available or if SOFR, SONIA, or another alternative reference rate, will attain market traction as a LIBOR replacement. LIBOR is used as the reference rate for certain borrowings under our credit facilities. If LIBOR ceases to exist, we and the administration agent for our credit facilities may amend our credit agreement to replace LIBOR with a different benchmark index and make certain other conforming changes to our credit agreement. As such, the interest rate on certain of our borrowings under our credit facilities may change. The new rate may not be as favorable as those in effect prior to any LIBOR phase-out. Furthermore, the transition process may result in delays in funding, higher interest expense, additional expenses, and increased volatility in markets for instruments that currently rely on LIBOR, all of which could negatively impact our interest expense, results of operations, and cash flow.

Risks Related to this Offering and Ownership of Our Common Stock

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to "emerging growth companies" will make our common stock less attractive to investors.

We are an "emerging growth company," as defined in Section 2(a)(19) of the Securities Act, and we may take advantage of certain exemptions and relief from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." In particular, while we are an "emerging growth company", among other exemptions:

- we are not be required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act,
- we are subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and
- we are not be required to hold nonbinding advisory votes on executive compensation or stockholder approval of any golden parachute payments not previously approved.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards, meaning that the company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period, and as a result, our financial statements may not be comparable with similarly situated public companies.

We may remain an "emerging growth company" until the fiscal year commencing on January 1, 2027, though we may cease to be an "emerging growth company" earlier under certain circumstances, including (1) if our gross revenues exceed $1.07 billion in any fiscal year, (2) if we become a large accelerated filer, with at least $700 million of equity securities held by non-affiliates, or (3) if we issue more than $1.0 billion in non-convertible notes in any three year period.

We cannot predict if investors may find our common stock less attractive if we rely on the exemptions and relief granted by the JOBS Act. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may decline and/or become more volatile.

We qualify as a "controlled company" within the meaning of the Nasdaq rules and the rules of the SEC and, as a result, qualify for exemptions from certain corporate governance requirements.

After completion of this offering, our Sponsor will continue to control a majority of the voting power of our outstanding common stock. As a result, we qualify as a "controlled company" within the meaning of the corporate governance standards of Nasdaq. Under these rules, a company of which more than 50% of the voting power is held by an individual, group, or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including the requirement that:

- a majority of our board of directors consist of "independent directors" as defined under the Nasdaq rules;

- our director nominees be selected, or recommended for our board of directors' selection by a nominating/governance committee comprised solely of independent directors; and
- the compensation of our executive officers be determined, or recommended to our board of directors for determination, by a compensation committee comprised solely of independent directors.

Although we are not relying on the exemptions from these corporate governance requirements, if we do rely on such exemptions in the future, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

Our Sponsor controls us and its interests may conflict with yours in the future.

Immediately following this offering and the SLP Distribution, our Sponsor will beneficially own 60.7% of our common stock, or 58.9% if the underwriters exercise in full their option to purchase additional shares. Our Sponsor will be able to continue to control the election and removal of our directors and thereby determine our corporate and management policies, including potential mergers or acquisitions, payment of dividends, asset sales, amendment of our certificate of incorporation or bylaws and other significant corporate transactions for so long as our Sponsor and its affiliates retain significant ownership of us. This concentration of our ownership may delay or deter possible changes in control of the Company, which may reduce the value of an investment in our common stock. So long as our Sponsor continues to own a significant amount of our combined voting power, even if such amount is less than 50%, our Sponsor will continue to be able to strongly influence or effectively control our decisions and, so long as our Sponsor and its affiliates collectively own at least 5% of all outstanding shares of our stock entitled to vote generally in the election of directors, our Sponsor will be able to nominate individuals to our board of directors under our stockholders' agreement. In addition, the stockholders' agreement grants to our Sponsor and its affiliates and certain of their transferees certain governance rights for as long as our Sponsor and its affiliates and certain of their transferees maintain ownership of at least 25% of our outstanding common stock, including rights of approval over the entry into joint ventures or similar business alliance having a fair market value of more than $100 million, incurrence of debt for borrowed money in excess of $100 million, the increase or reduction in the size of our board of directors, initiation of any liquidation, dissolution, bankruptcy or other insolvency proceeding, the appointment or termination of our chief executive officer, or any material change in the nature of our business. See "Certain Relationships and Related Party Transactions—Stockholders' Agreement." The interests of our Sponsor may not coincide with the interests of other holders of our common stock.

In the ordinary course of their business activities, our Sponsor and its affiliates may engage in activities where their interests conflict with our interests or those of our stockholders. Our certificate of incorporation provides that our Sponsor, any of its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his or her director and officer capacities) or his or her affiliates will not have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Our Sponsor also may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, our Sponsor may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance its investment, even though such transactions might involve risks to you.

In addition, the Sponsor and its affiliates are able to determine the outcome of all matters requiring stockholder approval and are able to cause or prevent a change of control of the Company or a change in the composition of our board of directors and could preclude any acquisition of the Company. Further, under the stockholders' agreement, so long as our Sponsor and its affiliates and certain of their transferees maintain ownership of at least 25% of our outstanding common stock, they will have approval rights of any change of control transaction, which could preclude any unsolicited acquisition of our shares. This concentration of voting control could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of the Company and ultimately might affect the market price of our common stock.

We incur additional costs associated with the requirements of being a public company, and our management is required to devote substantial time to compliance matters, adding complexity to running our business.

As a public company, we incur significant legal, regulatory, finance, accounting, investor relations, and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements and costs of recruiting and retaining non-executive directors. We also have incurred and will continue to incur costs associated with the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, and related rules implemented by the SEC, and costs in connection with continued listing on Nasdaq. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. Our efforts to comply with these rules and regulations have significantly increased our legal and financial compliance costs, and have made some activities more time-consuming and/or costly. Our management devotes a substantial amount of time to ensure that we comply with all of these requirements, diverting the attention of management away from revenue-producing activities. These laws and regulations also could make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation.

Failure to comply with requirements to design, implement and maintain effective internal controls could have a material adverse effect on our business and stock price, and any failure to maintain financial controls could result in our financial statements becoming unreliable.

As a public company, we have significant requirements for enhanced financial reporting and internal controls. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. The measures we may take may not be sufficient to satisfy our obligations as a public company and if we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements, and harm our operating results. In addition, we are required, pursuant to Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the fiscal year ended December 31, 2022. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business. If we are no longer an "emerging growth company," our auditors will be required to issue an attestation report on the effectiveness of our internal controls on an annual basis. This offering will increase our public float and therefore may cause us to qualify as a "large accelerated filer" and no longer be an "emerging growth company" sooner than we otherwise would have and prior to the fiscal year commencing after the fifth year anniversary of the IPO (January 1, 2027).

In connection with the implementation of the necessary procedures and practices related to internal control over financial reporting, we may identify deficiencies that we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404. In addition, we may encounter problems or delays in completing the remediation of any deficiencies identified by our independent registered public accounting firm in connection with the issuance of their attestation report. Our testing, or the subsequent testing (if required) by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. Any material weaknesses could result in a material misstatement of our annual or quarterly consolidated financial statements or disclosures that may not be prevented or detected.

We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 or our independent registered public accounting firm may not issue an unqualified opinion. If either we are unable to conclude that we have effective internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified report (to the extent it is required to issue a report), investors could lose confidence in our reported financial information, which could have a material adverse effect on the trading price of our common stock.

Our stock price may be highly volatile or may decline regardless of our operating performance, and you may not be able to resell shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result.

The trading price of our common stock may be highly volatile and may be adversely affected due to a number of factors, most of which we cannot control, including those listed elsewhere under this "Risk Factors" section, and the following:

- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors;
- changes in economic conditions for companies in our industry;
- changes in market valuations of, or earnings and other announcements by, companies in our industry;
- declines in the market prices of stocks generally;
- additions or departures of key management personnel;
- strategic actions by us or our competitors;
- announcements by us, our competitors, our suppliers or our distributors of significant contracts, price reductions, new products or technologies, acquisitions, dispositions, joint marketing relationships, joint ventures, other strategic relationships or capital commitments;
- changes in preference of our customers and our market share;
- changes in general economic or market conditions or trends in our industry or the economy as a whole;
- changes in business or regulatory conditions;
- future sales of our common stock or other securities;
- investor perceptions of or the investment opportunity associated with our common stock relative to other investment alternatives;
- the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business;
- announcements relating to litigation or governmental investigations;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;

- the development and sustainability of an active trading market for our stock;
- changes in accounting principles; and
- other events or factors, including those resulting from informational technology system failures and disruptions, natural disasters, war, acts of terrorism or responses to these events.

Furthermore, the stock market may experience extreme volatility that, in some cases, may be unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we were to become involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

You may be diluted by the future issuance of additional common stock in connection with our incentive plans, acquisitions or otherwise.

As of November 5, 2021, we had approximately 847,124,924 shares of authorized but unissued common stock. Our amended and restated certificate of incorporation authorizes us to issue these shares of common stock and options relating to common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise. We have reserved shares for issuance under the 2021 Equity Plan and the ESPP. See "Management—Executive Compensation—Long-Term Equity Incentive Compensation." Any common stock that we issue, including under the 2021 Equity Plan or the ESPP or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by the investors who purchase common stock in this offering. In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our common stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to you.

Because we have no plans to pay cash dividends on our common stock, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.

We have no plans to pay cash dividends on our common stock. The declaration, amount and payment of any future dividends will be at the sole discretion of our board of directors, and will depend on, among other things, general and economic conditions, our results of operations and financial condition, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under our credit agreement and other indebtedness we may incur, and such other factors as our board of directors may deem relevant. See "Dividend Policy."

As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than your purchase price.

First Advantage Corporation is a holding company with no operations of its own and, as such, it depends on its subsidiaries for cash to fund all of its operations and expenses, including future dividend payments, if any.

Our operations are conducted entirely through our subsidiaries and our ability to generate cash to meet our debt service obligations or to make future dividend payments, if any, is highly dependent on the earnings and the receipt of funds from our subsidiaries via dividends or intercompany loans. We do not currently expect to declare or pay dividends on our common stock for the foreseeable future; however, to the extent that we determine in the future to pay dividends on our common stock, the agreements governing our indebtedness may restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock.

Future sales, or the perception of future sales, by us or our existing stockholders in the public market following this offering could cause the market price for our common stock to decline.

The sale of substantial amounts of shares of our common stock in the public market, or the perception that such sales could occur, including sales by our Sponsor, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As of November 5, 2021, we had a total of 152,875,076 shares of our common stock outstanding. Of the outstanding shares, including the 15,000,000 shares sold in this offering (or 17,250,000 shares if the underwriters exercise in full their option to purchase additional shares), 48,467,502 shares (or 51,338,437 shares if the underwriters exercise in full their option to purchase additional shares) will be freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144 of the Securities Act, or Rule 144, including our directors, executive officers and other affiliates (including our Sponsor), may be sold only in compliance with the limitations described in “Shares Eligible for Future Sale.”

The remaining 104,407,574 shares of common stock (or 101,536,639 shares if the underwriters exercise in full their option to purchase additional shares) will be subject to certain restrictions on resale. We, the selling stockholders, our executive officers and directors will sign lock-up agreements with the underwriters that will, subject to certain exceptions, restrict the sale of the shares of our common stock and certain other securities held by them for 60 days following the date of this prospectus. Barclays Capital Inc. and BofA Securities, Inc. may, in their sole discretion and at any time without notice, release all or any portion of the shares or securities subject to any such lock-up agreements. See “Underwriting” for a description of these lock-up agreements. In addition, holders of all of our common stock outstanding prior to the IPO agreed to not transfer shares of their common stock, except in certain circumstances, until December 19, 2021. Barclays Capital Inc. and BofA Securities, Inc., representatives of the underwriters of the IPO, have waived certain of such IPO lock-up agreements to permit the filing of this registration statement and the sale of our common stock in this offering. Barclays Capital Inc. and BofA Securities, Inc. have also entered into an amendment to the lock-up agreement with SLP Fastball Aggregator, L.P. to permit the SLP Distribution; *provided* that it shall be a condition to any such transfer to an equityholder of SLP Fastball Aggregator, L.P. and its affiliated entities that (1) is a current employee of Silver Lake Group, L.L.C or any of its affiliates, that such employee is notified of the restrictions from selling, trading or otherwise disposing of shares received by such employee in the SLP Distribution for 30 days after the date of this prospectus or (2) is an entity controlled by or under common control with SLP Fastball Aggregator, L.P. that the transferee agrees to be bound by the terms of a lock-up agreement with the representatives of the underwriters in substantially the form described in the section titled “Underwriting” for 30 days after the date of this prospectus; *provided*, further, that such entities shall be permitted to transfer up to 5% of the shares distributed by SLP Fastball Aggregator, L.P. to the general partners in the SLP Distribution. See the definition of “SLP Distribution” under “Basis of Presentation” for additional information.

Upon the expiration of the lock-up agreements described above, all of such 104,407,574 shares (or 101,536,639 shares if the underwriters exercise in full their option to purchase additional shares) will be eligible for resale in a public market, subject to vesting in some cases and, in the case of shares held by our affiliates, to volume, manner of sale and other limitations under Rule 144. However, 4,666,186 of such shares (or 4,526,019 shares if the underwriters exercise in full their option to purchase additional shares) are held by certain past and current employees who are subject to certain transfer restrictions for 18 months following the consummation of the IPO (December 23, 2022), and generally may only transfer or sell such number of shares on a pro rata basis with any transfer or sale of shares by our

Sponsor, as set forth in the stockholders' agreement. See "Certain Relationships and Related Party Transactions—Stockholders' Agreement." Our Sponsor will continue to be considered an affiliate upon the expiration of the lock-up period based on its expected share ownership (consisting of 92,749,615 shares), as well as its board nomination rights. Certain other of our stockholders may also be considered affiliates at that time.

In addition, pursuant to our stockholders' agreement, certain of our existing stockholders, including our Sponsor, will have the right, subject to certain conditions, to require us to register the sale of their shares of our common stock under the Securities Act. See "Certain Relationships and Related Party Transactions— Stockholders' Agreement." By exercising their registration rights and selling a large number of shares, such existing stockholders could cause the prevailing market price of our common stock to decline. Certain of our stockholders will also have "piggyback" registration rights with respect to future registered offerings of our common stock. Following completion of this offering, the shares covered by registration rights would represent approximately 68.1% of our total common stock outstanding (or 66.3% if the underwriters exercise in full their option to purchase additional shares). Registration of any of these outstanding shares of common stock would result in such shares becoming freely tradable without compliance with Rule 144 upon effectiveness of the registration statement. See "Shares Eligible for Future Sale."

We have filed a registration statement on Form S-8 under the Securities Act to register 19,894,237 shares of our common stock or securities convertible into or exchangeable for shares of our common stock issuable in connection with outstanding options to purchase Class A units or pursuant to 2021 Equity Plan and the ESPP. Such Form S-8 registration statement automatically became effective upon filing. Accordingly, shares registered under such registration statements are available for sale in the open market.

As restrictions on resale end, or if the existing stockholders exercise their registration rights, the market price of our shares of common stock could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities.

If securities or industry analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrade our stock or our industry, or change their views regarding the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, or if we fail to meet their expectations for our financial results, the price of our stock could decline. If one or more of these analysts ceases coverage of the Company or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt, or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions provide for, among other things:

- a classified board of directors, as a result of which our board of directors is divided into three classes, with each class serving for staggered three-year terms;
- the ability of our board of directors to issue one or more series of preferred stock;

- advance notice requirements for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;
- certain limitations on convening special stockholder meetings;
- the removal of directors only for cause and only upon the affirmative vote of the holders of at least $66^{2}/_{3}\%$ of the shares of common stock entitled to vote generally in the election of directors if the Sponsor and its affiliates cease to beneficially own at least 50% of shares of common stock entitled to vote generally in the election of directors; and
- that certain provisions may be amended only by the affirmative vote of at least $66^{2}/_{3}\%$ of shares of common stock entitled to vote generally in the election of directors if the Sponsor and its affiliates cease to beneficially own at least 50% of shares of common stock entitled to vote generally in the election of directors.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. See "Description of Capital Stock."

Our board of directors is authorized to issue and designate shares of our preferred stock in additional series without stockholder approval.

Our amended and restated certificate of incorporation authorizes our board of directors, without the approval of our stockholders, to issue 250,000,000 shares of our preferred stock, subject to limitations prescribed by applicable law, rules and regulations and the provisions of our amended and restated certificate of incorporation, as shares of preferred stock in series, to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of preferred stock may be senior to or on parity with our common stock, which may reduce its value.

Our amended and restated certificate of incorporation provides, subject to limited exceptions, that state and federal courts (as appropriate) located within the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our amended and restated certificate of incorporation provides, subject to limited exceptions, that unless we consent to the selection of an alternative forum, the state or federal courts (as appropriate) located within the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of our company, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee or stockholder of our company to the Company or our stockholders, creditors or other constituents, (iii) action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the Delaware General Corporation Law, or the DGCL, or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) action asserting a claim against the Company or any director or officer of the Company governed by the internal affairs doctrine. The choice of forum provision described in the preceding sentence does not apply to claims brought under the Securities Act or the Exchange Act, meaning that nothing in our amended and restated certificate of incorporation or amended and restated by-laws will preclude stockholders that assert claims under the Securities Act or the Exchange Act, from bringing such claims in state or federal court, subject to applicable law. Our exclusive forum provision shall not relieve the Company of its duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations. Further, stockholders may not waive their rights under the Exchange Act, including their right to bring suit.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results, and financial condition.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that 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 are included throughout this prospectus, including in the sections entitled "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business" and 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, those described under "Risk Factors" and the following:

- the impact of COVID-19 and related risks on our results of operations, financial position and/or liquidity;
- 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 and data security;
- our reliance on third-party data providers;
- negative changes in external events beyond our control, including our customers' onboarding volumes, economic drivers which are sensitive to macroeconomic cycles, and the COVID-19 pandemic;
- potential harm to our business, brand and reputation as a result of security breaches, cyber-attacks or the mishandling of personal data;
- liability and litigation due to the sensitive and privacy-driven nature of our products and solutions, which could be costly and time-consuming to defend and may not be fully covered by insurance;
- 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 contracts with our customers, which do not guarantee exclusivity or contracted volumes;
- our reliance on third-party vendors to carry out certain portions of our operations;
- 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;
- disruptions at our Global Operating Center and other operating centers;
- operating in a penetrated and competitive market;
- our ability to obtain, maintain, protect and enforce our intellectual property and other proprietary information;
- 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;

- our Sponsor controls us and may have interests that conflict with ours or those of our stockholders.
- our ability to maintain, protect and enforce the confidentiality of our trade secrets;
- the use of open-source software in our applications;
- the indemnification provisions in our contracts with our customers and third-party data suppliers;
- our ability to identify acquisition targets or successfully complete such transactions;
- our international business;
- our dependence on the service of our key executive and other employees, and our ability to find and retain qualified employees;
- seasonality in our operations from quarter to quarter;
- failure to comply with anti-corruption laws and regulations; and
- changing interpretations of tax laws.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements.

Any forward-looking statement made by us in this prospectus speaks only as of the date of this prospectus and are expressly qualified in their entirety by the cautionary statements included in this prospectus. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments or other strategic transactions we may make. 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.

USE OF PROCEEDS

The selling stockholders will receive all of the net proceeds from the sale of shares of our common stock offered pursuant to this prospectus. We will not be selling any shares in this offering and we will not receive any proceeds from the sale of shares being sold in this offering, including from any exercise by the underwriters of their option to purchase additional shares. The selling stockholders will bear the underwriting commissions and discounts attributable to their sale of our common stock, and expenses incurred by the selling stockholders for brokerage, accounting, tax services, or any other expenses incurred by the selling stockholders, except we will bear the fees and expenses of one counsel for the selling stockholders. We will bear all other costs, fees, and expenses incurred in effecting the registration of the shares covered by this prospectus, including, without limitation, all registration and filing fees, and fees and expenses of our counsel and one counsel for the selling stockholders and our independent registered public accountants. See "Principal and Selling Stockholders."

DIVIDEND POLICY

We expect to retain all future earnings for use in the operation and expansion of our business and have no current plans to pay dividends on our common stock. The declaration, amount, and payment of any future dividends will be at the sole discretion of our board of directors, and will depend on, among other things, general and economic conditions, our results of operations and financial condition, our available cash, and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions, and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under our credit agreement and other indebtedness we may incur, and such other factors as our board of directors may deem relevant. If we elect to pay such dividends in the future, we may reduce or discontinue entirely the payment of such dividends at any time.

Because we are a holding company, our ability to pay dividends depends on our receipt of cash dividends from our operating subsidiaries, which may further restrict our ability to pay dividends as a result of the laws of their jurisdiction of organization, agreements of our subsidiaries or covenants under any existing and future outstanding indebtedness we or our subsidiaries incur. Certain of our subsidiaries are subject to our credit agreement, which contain covenants that limit such subsidiaries' ability to make restricted payments, including dividends, and take on additional indebtedness. See "Risk Factors—Risks Related to Our Indebtedness—Our debt instruments restrict our current and future operations, particularly our ability to respond to changes or take certain actions."

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2021.

You should read this table in conjunction with the information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

(In thousands, except share and par value)	As of September 30, 2021
Cash and cash equivalents	$ 275,538
Debt:	
Term loan facility(1)	564,724
Revolving credit facility(2)	—
Total debt	564,724
Stockholders' equity:	
Common stock, $0.001 par value per share, 1,000,000,000 shares authorized; 152,870,750 shares issued and outstanding	153
Additional paid-in capital	1,160,002
Accumulated deficit	(46,826)
Accumulated other comprehensive income	890
Total stockholders' equity	1,114,219
Total capitalization	$ 1,678,943

(1) For a further description of our term loan facility, see "Management's Discussion and Analysis of Financial Condition and Results of Operations —Liquidity and Capital Resources—Long-Term Debt."

(2) For a further description of our revolving credit facility, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Long-Term Debt."

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma consolidated financial information reflects (i) the Silver Lake Transaction, as described and defined in "Basis of Presentation," (ii) the financing related to the Silver Lake Transaction as described below (the "Silver Lake Transaction Refinancing"), (iii) the sale by the Company of 22,856,250 shares of common stock in the IPO at the initial public offering price of $15.00 per share for aggregate net proceeds of $316.5 million (after deducting the underwriting discounts and commissions and estimated offering expenses payable by the Company in connection therewith) and the application of the net proceeds therefrom to repay $200.0 million of borrowings under its term loan facility and the remainder for general corporate purposes, (iv) the sale of 15,000,000 shares of common stock by selling stockholders in this Follow-On Offering, and (v) the in-kind distribution of 4,659,403 shares of our common stock held by SLP Fastball Aggregator, L.P. to its partners, which amount is based upon an assumed offering price of $21.05 per share, which is the closing sales price of our common stock as reported on Nasdaq on November 5, 2021, less estimated underwriters' discounts and commissions, and is expected to occur following the closing of this Follow-On Offering.

The unaudited pro forma consolidated balance sheet as of September 30, 2021 gives effect to this Follow-On Offering and the SLP Distribution as if they had occurred as of September 30, 2021. The unaudited pro forma consolidated balance sheet does not give effect to the Silver Lake Transaction, the Silver Lake Transaction Refinancing or the IPO Transactions as if they had occurred on September 30, 2021 because these events are already reflected in the historical balance sheet of the Company. The unaudited pro forma consolidated statements of operations for the year ended December 31, 2020 and for the nine months ended September 30, 2020 give effect to the Transactions as if they had occurred on January 1, 2020. The unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2021 gives effect to the IPO Transactions, this Follow-On Offering, and the SLP Distribution as if they had occurred on January 1, 2020. The unaudited pro forma consolidated statement of operations for the nine months ended September 30, 2021 does not give effect to either the Silver Lake Transaction or the Silver Lake Transaction Refinancing as if they had occurred on January 1, 2020 because these events are already reflected for the full period presented in the historical statement of operations of the Company.

We have derived the unaudited pro forma consolidated balance sheet and the unaudited pro forma consolidated statements of operations from the consolidated financial statements of First Advantage Corporation and its subsidiaries as of September 30, 2021 (Successor), for the period from January 1 through January 31, 2020 (Predecessor), for the period from February 1, 2020 through December 31, 2020 (Successor), for the period from February 1, 2020 through September 30, 2020 (Successor), and for the nine months ended September 30, 2021 (Successor) included elsewhere in this prospectus. The unaudited pro forma consolidated financial information was prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," using the assumptions set forth in the notes to the unaudited pro forma consolidated financial information. Release No. 33-10786 replaces the previously existing pro forma adjustment criteria with simplified requirements to depict transaction accounting adjustments and an option to present the reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur ("Management's Adjustments"). The Company has elected not to present Management's Adjustments in the following unaudited pro forma consolidated financial information.

The pro forma adjustments are based on available information and upon assumptions that management believes are reasonable in order to reflect, on a pro forma basis, the effect of these transactions on the historical financial information of First Advantage Corporation. The adjustments are described in the notes to the unaudited pro forma consolidated balance sheet and the unaudited pro forma consolidated statements of operations.

The adjustments related to the IPO, which we refer to as the "IPO Adjustments", are described in the notes to the unaudited pro forma consolidated financial information, and principally include the following:

- the issuance of 22,856,250 shares of our common stock to the investors in the IPO in exchange for net proceeds of approximately $316.5 million, after deducting the underwriting discount but before estimated offering expenses payable by us;

- the payment of fees and expenses related to the IPO; and,
- the use of proceeds from the IPO to repay $200.0 million of borrowings under our term loan facility, with the remainder for general corporate purposes.

The adjustments related to this offering and the SLP Distribution, which we refer to as the "Follow-On Offering and SLP Distribution Adjustments", are described in the notes to the unaudited pro forma consolidated financial information, and principally include the following:

- the recognition of the performance-based vesting of certain share-based compensation awards related to Silver Lake's selling of a portion of its interests in the Company and Silver Lake's distribution of a portion of its interests in the Company to its partners.

Except as otherwise indicated, the unaudited pro forma consolidated financial information presented assumes no exercise by the underwriters of their over-allotment option.

As a public company, we have implemented, and will continue to implement, additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We incur additional annual expenses related to these additional procedures and processes and, among other things, additional directors' and officers' liability insurance, director fees, additional expenses associated with complying with the reporting requirements of the SEC, transfer agent fees, costs relating to additional accounting, legal, and administrative personnel, increased auditing, tax, and legal fees, stock exchange listing fees, and other public company expenses. We have not included any pro forma adjustments relating to these costs in the information below.

The unaudited pro forma consolidated financial information is included for informational purposes only. The unaudited pro forma consolidated financial information should not be relied upon as being indicative of our results of operations or financial condition had the Transactions occurred on the dates assumed. The unaudited pro forma consolidated financial information also does not project our results of operations or financial position for any future period or date. The unaudited pro forma consolidated statement of operations and balance sheet should be read in conjunction with the "*Risk Factors*," "*Prospectus Summary—Summary Historical Consolidated Financial Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and our consolidated financial statements and related notes included elsewhere in this prospectus.

FIRST ADVANTAGE CORPORATION
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2021
(in thousands)

	First Advantage Corporation (Successor)	Follow-On Offering and SLP Distribution Adjustments		Pro Forma Total
Assets				
Cash and cash equivalents	$ 275,538	$ —		$ 275,538
Restricted cash	150	—		150
Short-term investments	958	—		958
Accounts receivable, net	147,138	—		147,138
Prepaid expenses and other current assets	17,294	—		17,294
Income tax receivable	2,426	—		2,426
Total current assets	443,504	—		443,504
Property and equipment, net	161,330	—		161,330
Goodwill	772,669	—		772,669
Trade name, net	81,691	—		81,691
Customer lists, net	389,216	—		389,216
Deferred tax asset, net	1,442	—		1,442
Other assets	6,841	—		6,841
Total assets	$1,856,693	$ —		$ 1,856,693
Liabilities and Equity				
Accounts payable	$ 46,078	$ —		$ 46,078
Accrued compensation	26,173	—		26,173
Accrued liabilities	23,966	—		23,966
Current portion of long-term debt	—	—		—
Income tax payable	2,578	—		2,578
Deferred income	504	—		504
Total current liabilities	99,299	—		99,299
Long-term debt, net	554,405	—		554,405
Deferred tax liability, net	82,163	—		82,163
Other liabilities	6,607	—		6,607
Total liabilities	742,474			742,474
Commitments and contingencies				
Equity:				
Common stock	153	—		153
Additional paid-in-capital	1,160,002	3,494	(2a)	1,163,496
Accumulated deficit	(46,826)	(3,494)	(2a)	(50,320)
Accumulated other comprehensive loss	890	—		890
Total equity	1,114,219	—		1,114,219
Total liabilities and equity	$1,856,693	$ —		$ 1,856,693

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FIRST ADVANTAGE CORPORATION
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(in thousands, except share and per share amounts)

	First Advantage Corporation Period from January 1, 2020 through January 31, 2020 (Predecessor)	First Advantage Corporation Period from February 1, 2020 through December 31, 2020 (Successor)	Silver Lake Transaction Accounting Adjustments		Silver Lake Transaction Refinancing Accounting Adjustments		Pro Forma for the Silver Lake Transaction	IPO Adjustments		Follow-On Offering and SLP Distribution Adjustments		Pro Forma Total
Revenues	$ 36,785	$ 472,369	$ —		$ —		$ 509,154	$ —		$ —		$ 509,154
Operating expenses:												
Cost of services (exclusive of depreciation and amortization below)	20,265	240,287	—		—		260,552	—		61	(3i)	260,613
Product and technology expense	3,189	32,201	—		—		35,390	—		175	(3i)	35,565
Selling, general, and administrative expense	11,235	66,864	—		—		78,099	—		3,157	(3i)	81,256
Depreciation and amortization	2,105	135,057	6,124	(3a)	—		143,286	—		—		143,286
Total operating expenses	36,794	474,409	6,124		—		517,327	—		3,393		520,720
(Loss) from operations:	(9)	(2,040)	(6,124)		—		(8,173)	—		(3,393)		(11,566)
Other expense (income):												
Interest expense	4,514	47,914	—		(741)	(3d)	51,687	(5,003)	(3g)	—		46,684
Interest income	(25)	(530)	—		—		(555)	—		—		(555)
Loss on extinguishment of debt	10,533	—	—		(10,533)	(3e)	—	—		—		—
Transaction expenses, change in control	22,370	9,423	(22,370)	(3b)	—		9,423	—		—		9,423
Total other expense	37,392	56,807	(22,370)		(11,274)		60,555	(5,003)		—		55,552
(Loss) before provision for income taxes	(37,401)	(58,847)	16,246		11,274		(68,728)	5,003		(3,393)		(67,118)
Provision for income taxes	(871)	(11,355)	4,175	(3c)	2,898	(3f)	(5,153)	1,286	(3h)	(872)	(3j)	(4,739)
Net (loss)	$ (36,530)	$ (47,492)	$ 12,071		$ 8,376		$ (63,575)	$ 3,717		$ (2,521)		$ (62,379)
Net (loss) per share— basic and diluted	$ (0.24)	$ (0.37)										$ (0.42)
Weighted average number of shares outstanding—basic and diluted	149,686,460	130,000,000										149,938,166

FIRST ADVANTAGE CORPORATION
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(in thousands, except share and per share amounts)

	First Advantage Corporation Period from January 1, 2020 through January 31, 2020 (Predecessor)	First Advantage Corporation Period from February 1, 2020 through September 30, 2020 (Successor)	Silver Lake Transaction Accounting Adjustments		Silver Lake Transaction Refinancing Accounting Adjustments		Pro Forma for the Silver Lake Transaction	IPO Adjustments		Follow-On Offering and SLP Distribution Adjustments		Pro Forma Total
Revenues	$ 36,785	$ 315,825	$ —		$ —		$ 352,610	$ —		$ —		$ 352,610
Operating expenses:												
Cost of services (exclusive of depreciation and amortization below)	20,265	156,703	—		—		176,968	—		44	(3i)	177,012
Product and technology expense	3,189	20,495	—		—		23,684	—		124	(3i)	23,808
Selling, general, and administrative expense	11,235	46,206	—		—		57,441	—		2,282	(3i)	59,723
Depreciation and amortization.	2,105	97,815	8,320	(3a)	—		108,240	—		—		108,240
Total operating expenses	36,794	321,219	8,320		—		366,333	—		2,450		368,783
(Loss) from operations	(9)	(5,394)	(8,320)		—		(13,723)	—		(2,450)		(16,173)
Other expense (income):												
Interest expense	4,514	38,405	—		(1,228)	(3d)	41,691	(2,489)	(3g)	—		39,202
Interest income	(25)	(282)	—		—		(307)	—		—		(307)
Loss on extinguishment of debt	10,533	—	—		(10,533)	(3e)	—	—		—		—
Transaction expenses, change in control	22,370	9,423	(22,370)	(3b)	—		9,423	—		—		9,423
Total other expense	37,392	47,546	(22,370)		(11,761)		50,807	(2,489)		—		48,318
(Loss) before provision for income taxes	(37,401)	(52,940)	14,050		11,761		(64,530)	2,489		(2,450)		(64,491)
Provision for income taxes	(871)	(11,308)	3,611	(3c)	3,023	(3f)	(5,545)	640	(3h)	(630)	(3j)	(5,535)
Net (loss)	$ (36,530)	$ (41,632)	$ 10,439		$ 8,738		$ (58,985)	$ 1,849		$ (1,820)		$ (58,956)
Net (loss) per share—basic and diluted	$ (0.24)	$ (0.32)										$ (0.39)
Weighted average number of shares outstanding— basic and diluted	149,686,460	130,000,000										149,938,166

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FIRST ADVANTAGE CORPORATION
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(in thousands, except share and per share amounts)

	First Advantage Corporation (Successor)	IPO Adjustments		Follow-On Offering and SLP Distribution Adjustments		Pro Forma Total
Revenues	$ 499,763	$ —		$ —		$ 499,763
Operating expenses:						
Cost of services (exclusive of depreciation and amortization below)	244,964	—		4	(3i)	244,968
Product and technology expense	33,546	—		17	(3i)	33,563
Selling, general, and administrative expense	76,256	—		80	(3i)	76,336
Depreciation and amortization	106,493	—		—		106,493
Total operating expenses	461,259	—		101		461,360
Income from operations	38,504	—		(101)		38,403
Other expense (income):						
Interest expense	22,015	(5,841)	(3g)	—		16,174
Interest income	(140)	—		—		(140)
Loss on extinguishment of debt	13,938	—		—		13,938
Transaction expenses, change in control	—	—		—		—
Total other expense	35,813	(5,841)		—		29,972
Income before provision for income taxes	2,691	5,841		(101)		8,431
Provision for income taxes	2,025	1,510	(3h)	(26)	(3j)	3,509
Net income	$ 666	$ 4,331		$ (75)		$ 4,922
Net income per share—basic	$ 0.00					$ 0.03
Net income per share—diluted	$ 0.00					$ 0.03
Weighted average number of shares outstanding—basic	137,232,289					149,940,131
Weighted average number of shares outstanding—diluted	138,170,488					150,878,330

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

1. Basis of Presentation & Description of the Transactions

The unaudited pro forma consolidated financial information was prepared in accordance with Article 11 of Regulation S-X, as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses,” and presents the pro forma financial condition and results of operations of the Company based upon the historical financial information after giving effect to the Transactions and related adjustments set forth in the notes to the unaudited pro forma consolidated financial information.

The unaudited pro forma consolidated financial information presented assumes no exercise by the underwriters of their over-allotment option. In addition, the unaudited pro forma consolidated financial information does not reflect any Management Adjustments for expected effects of the Transactions, including any additional costs associated with operating as a public company after the IPO.

The unaudited pro forma consolidated balance sheet as of September 30, 2021, gives effect to this Follow-On Offering and the SLP Distribution as if they occurred as of September 30, 2021. The unaudited pro forma consolidated balance sheet does not give effect to the Silver Lake Transaction, the Silver Lake Transaction Refinancing or the IPO Transactions as if they had occurred as of September 30, 2021 because these events are already reflected in the historical balance sheet of the Company. The unaudited pro forma consolidated statements of operations for the year ended December 31, 2020, and for the nine months ended September 30, 2020 give effect to the Transactions as if they had occurred on January 1, 2020. The unaudited pro forma consolidated statement of operations for the nine months ended September 30, 2021 gives effect to the IPO Transactions, this Follow-On Offering, and the SLP Distribution as if they had occurred on January 1, 2020. The unaudited pro forma consolidated statement of operations for the nine months ended September 30, 2021 does not give effect to either the Silver Lake Transaction or the Silver Lake Transaction Refinancing as if they had occurred on January 1, 2020 because these events are already reflected for the full period presented in the historical statement of operations of the Company.

The Silver Lake Transaction and Silver Lake Transaction Refinancing

On January 31, 2020, Silver Lake acquired substantially all of the Company’s equity interests for approximately $1,576.0 million. A portion of the consideration was derived from members of the management team contributing an allocation of their Silver Lake Transaction proceeds. The Silver Lake Transaction was accounted for under the acquisition method in accordance with ASC 805, *Business Combinations*.

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

Consideration	
Cash, net of cash acquired	$1,556,810
Rollover management equity interests	19,148
Total fair value of consideration transferred	$1,575,958
Current assets	$ 145,277
Property and equipment, including software developed for internal use	236,775
Trade name	95,000
Customer lists	500,000
Deferred tax asset	106,327
Other assets	1,429
Current liabilities	(71,496)
Deferred tax liability	(198,535)
Other liabilities	(6,616)
Total identifiable net assets	$ 808,161
Goodwill	$ 767,797

In connection with the Silver Lake Transaction, on January 31, 2020, the existing credit facilities of the Predecessor were repaid in full with the proceeds of a new first lien term loan facility and a new second lien term loan facility. The first lien term loan facility provides financing in the form of a $670.0 million term loan due January 31, 2027, carrying an interest rate of 3.25% to 3.50%, based on the first lien leverage ratio, plus LIBOR and a $75.0 million new revolving facility due January 31, 2025. The first lien term loan facility requires mandatory quarterly repayments of 0.25% of the original loan balance commencing September 30, 2020. The second lien term loan facility provided financing in the form of a $145.0 million term loan due January 31, 2028, carrying an interest rate of 8.50% plus LIBOR.

In February 2021, the Company refinanced its first lien term loan facility and fully repaid the outstanding balance on the second lien term loan facility (the “2021 Debt Refinancing”). The effects of the 2021 Debt Refinancing are fully reflected in the historical balance sheet of the Company as of September 30, 2021 and the historical statement of operations of the Company for the nine months ended September 30, 2021. Because the Company does not consider the effects of the 2021 Debt Refinancing to be material, no pro forma adjustments have been made to the unaudited pro forma statements of operations for the year ended December 31, 2020 or for the nine months ended September 30, 2020 to reflect the 2021 Debt Refinancing as if it had occurred on January 1, 2020.

IPO Transactions

In June 2021, the Company issued and sold 22,856,250 shares of common stock in the IPO at an initial public offering price of $15.00 per share. The Company used the net proceeds from the IPO of $316.5 million (net of underwriting discounts and commissions) (i) to repay $200.0 million in aggregate principal amount of the outstanding indebtedness under its first lien term loan facility and (ii) for general corporate purposes.

Follow-On Offering

The Company’s selling stockholders are offering 15,000,000 shares of common stock in the Follow-On Offering, at an assumed offering price of $21.05 per share based on the closing sales price of our common stock as reported on Nasdaq on November 5, 2021, including 13,726,648 shares of common stock being offered by Silver

Lake. As a result of Silver Lake's sale of a portion of its interests in the Company, performance-based vesting will be triggered for certain of the Company's share-based compensation awards, resulting in additional share-based compensation expense.

To the extent (i) the number of shares of common stock sold by Silver Lake in this offering changes from the expected number of shares to be sold by Silver Lake as set forth under "Principal and Selling Stockholders" in this prospectus, (ii) the offering price changes from the assumed offering price of $21.05 per share, which is the closing sales price of our common stock as reported on Nasdaq on November 5, 2021 or the estimated underwriters' discounts and commissions changes, or (iii) any combination of the foregoing occurs, the amount of performance based vesting and related pro forma adjustment of share-based compensation expense may be impacted. A $1.00 increase in the assumed offering price of $21.05 per share would increase the share-based compensation expense by $0.1 million, $0.1 million, and $0.1 million for the year ended December 31, 2020, for the nine months ended September 30, 2020 and for the nine months ended September 30, 2021, respectively. A $1.00 decrease in the assumed offering price of $21.05 per share would decrease the share-based compensation expense by $0.3 million, $0.2 million, and $0.0 million for the year ended December 31, 2020, for the nine months ended September 30, 2020 and for the nine months ended September 30, 2021, respectively. An increase of 1,000,000 shares to be sold by Silver Lake in this offering, assuming no change in the assumed offering price of $21.05 per share, would increase the share-based compensation expense by $0.1 million, $0.1 million, and $0.1 million for the year ended December 31, 2020, for the nine months ended September 30, 2020 and for the nine months ended September 30, 2021, respectively. A decrease of 1,000,000 shares sold by Silver Lake in this offering, assuming no change in the assumed offering price of $21.05 per share, would decrease the share-based compensation expense by $0.2 million, $0.1 million, and $0.0 million for the year ended December 31, 2020, for the nine months ended September 30, 2020 and for the nine months ended September 30, 2021, respectively.

SLP Distribution

Following the closing of this Follow-On Offering, SLP Fastball Aggregator, L.P. is expected to distribute 4,659,403 shares to its partners as an in-kind distribution in lieu of cash proceeds, based upon an assumed offering price of $21.05 per share, which is the closing sales price of our common stock as reported on Nasdaq on November 5, 2021, less estimated underwriters' discounts and commissions. As a result of Silver Lake's transfer of its interests in the Company, performance-based vesting will be triggered for certain of the Company's share-based compensation awards, resulting in additional share-based compensation expense. For purposes of the SLP Distribution, performance-based vesting is based on $20.15, the average daily closing price of our common stock as reported on Nasdaq for the ten trading day period ended November 5, 2021.

2. **Notes to Unaudited Pro Forma Consolidated Balance Sheet**

The following adjustments were made related to the unaudited pro forma consolidated balance sheet as of September 30, 2021:

Silver Lake Transaction Accounting Adjustments

No adjustments were made for the unaudited pro forma consolidated balance sheet as of September 30, 2021, because the effects of the Silver Lake Transaction are fully reflected in the historical balance sheet of the Company as of September 30, 2021.

Silver Lake Transaction Refinancing Accounting Adjustments

No adjustments were made for the unaudited pro forma consolidated balance sheet as of September 30, 2021 because the effects of the Silver Lake Transaction Refinancing are fully reflected in the historical balance sheet of the Company as of September 30, 2021.

IPO Adjustments

No adjustments were made for the unaudited pro forma consolidated balance sheet as of September 30, 2021 because the effects of the IPO are fully reflected in the historical balance sheet of the Company as of September 30, 2021.

Follow-On Offering and SLP Distribution Adjustments

a) Reflects (i) the pro forma adjustment of $2.7 million to additional paid-in capital, with an offsetting adjustment of $2.7 million to accumulated deficit related to the accelerated vesting of certain share-based compensation awards as a result of Silver Lake's sale of common stock in this Follow-On Offering and (ii) the pro forma adjustment of $0.8 million to additional paid-in capital, with an offsetting adjustment of $0.8 million to accumulated deficit related to the accelerated vesting of certain share-based compensation awards as a result of the SLP Distribution.

3. Notes to Unaudited Pro Forma Consolidated Statements of Operations

The following adjustments were made related to the unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2020 and for the nine months ended September 30, 2020:

Silver Lake Transaction Accounting Adjustments

a) Reflects the incremental amortization expense related to certain definite-lived intangible assets, reflected in the purchase price allocation at the date of the Silver Lake Transaction, as if those certain definite-lived intangible assets were put into place on January 1, 2020. The following table shows the pro forma adjustment to estimated amortization expense for the year ended December 31, 2020 and for the nine months ended September 30, 2020:

Description *(in thousands)*	**Estimated Fair Value at Silver Lake Transaction**	**Estimated Useful Life**	**Year Ended December 31, 2020**	**Nine Months Ended September 30, 2020**
Capitalized software for internal use	$ 220,000	5 years	$ 57,081	$ 43,101
Trade name	95,000	20 years	8,171	6,145
Customer lists	500,000	14 years	70,807	53,501
Pro forma amortization expense			$ 136,059	$ 102,747
Less historical amortization expense recorded			(129,935)	(94,427)
Pro forma adjustment for amortization expense			$ 6,124	$ 8,320

b) Reflects the adjustment to remove Predecessor transaction expenses related to the Silver Lake Transaction which would have been incurred and recorded during the year ended December 31, 2019 if the Silver Lake Transaction had occurred on January 1, 2020.

c) Reflects the adjustment to the provision for income taxes attributable to the tax impacts of the preceding Silver Lake Transaction Accounting Adjustment for amortization, assuming an effective tax rate of 25.7%.

Silver Lake Transaction Refinancing Accounting Adjustments

d) Reflects the adjustment to interest expense resulting from (i) the elimination of interest expense related to the debt financing in place during the Predecessor period, and (ii) the incremental interest expense and amortization of deferred financing costs associated with the first lien term loan facility and second lien term loan facility to give effect to the Silver Lake Transaction Refinancing as if it had occurred on January 1, 2020, calculated as follows:

Description *(in thousands)*	**Year Ended December 31, 2020**	**Nine Months Ended September 30, 2020**
Interest expense on first lien term loan facility	$ 29,835	$ 23,505
Interest expense on second lien term loan facility	13,713	10,526
Amortization of deferred financing costs	3,543	2,643
Pro forma interest expense	$ 47,091	$ 36,674
Less historical interest expense recorded	(47,832)	(37,902)
Pro forma adjustment for interest expense	$ (741)	$ (1,228)

No adjustment has been made to the unaudited pro forma statements of operations for the year ended December 31, 2020, or for the nine months ended September 30, 2020 to reflect changes in interest expense as a result of the 2021 Debt Refinancing because the Company does not consider the 2021 Debt Refinancing to be material.

e) Reflects an adjustment to the historical loss on extinguishment of Predecessor debt for the unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2020 and for the nine months ended September 30, 2020 as if the Silver Lake Transaction Refinancing had been consummated on January 1, 2020.

f) Reflects the adjustment to the provision for income taxes attributable to the tax impacts of the preceding Silver Lake Transaction Refinancing Accounting Adjustments, assuming an effective tax rate of 25.7%.

The following adjustments were made related to the unaudited pro forma consolidated statements of operations for the year ended December 31, 2020, for the nine months ended September 30, 2020, and for the nine months ended September 30, 2021, as follows:

IPO Adjustments

g) Reflects the decrease in interest expense of $11.4 million, $8.9 million, and $5.8 million for the year ended December 31, 2020, for the nine months ended September 30, 2020 and for the nine months ended September 30, 2021, respectively, as well as the accelerated amortization of deferred financing costs of $6.4 million and $6.4 million for the year ended December 31, 2020 and for the nine months ended September 30, 2020, respectively, associated with the repayment of $200.0 million of outstanding first lien indebtedness using the net proceeds from the IPO and a 0.25% interest rate reduction that went into effect upon consummation of the IPO.

A 1/8% increase or decrease in interest rates would result in a change in interest expense of approximately $0.8 million, $0.6 million, and $0.5 million for the year ended December 31, 2020, the nine months ended September 30, 2020 and the nine months ended September 30, 2021, respectively.

h) Reflects the adjustment to the provision for income taxes attributable to the tax impacts of the preceding IPO Adjustments, assuming an effective tax rate of 25.7% and 25.9% for 2020 and 2021, respectively.

Follow-On Offering and SLP Distribution Adjustments

i) Reflects the increase in share-based compensation expense of (i) $2.7 million, $1.9 million, and $0.0 million for the year ended December 31, 2020, for the nine months ended September 30, 2020 and the nine months ended September 30, 2021, respectively, related to the vesting of certain share-based compensation awards as a result of Silver Lake's sale of common stock in this Follow-On Offering and (ii) $0.7 million, $0.6 million, and $0.1 million for the year ended December 31, 2020, for the nine months ended September 30, 2020 and the nine months ended September 30, 2021, respectively, related to the vesting of certain share-based compensation awards as a result of the SLP Distribution.

j) Reflects the adjustment to the provision for income taxes attributable to the tax impacts of the preceding Follow-On Offering and SLP Distribution Adjustments, assuming an effective tax rate of 25.7% and 25.9% for 2020 and 2021, respectively.

4. Unaudited Pro Forma Net (Loss) Income Per Share

Unaudited basic pro forma net (loss) income per share is computed by dividing pro forma net (loss) income attributable to common shares by the pro forma weighted average number of common shares outstanding during the period. Unaudited diluted pro forma net (loss) income per share is computed by dividing pro forma net (loss) income attributable to common shares by the weighted average number of common shares outstanding during the period after adjusting for the impact of securities that would have a dilutive effect on net (loss) income per share. Potentially dilutive securities for the pro forma year ended December 31, 2020, the nine months ended September 30, 2020, and the nine months ended September 30, 2021 included restricted stock awards and stock options in the Company's common stock after our historical share-based compensation arrangements issued by the Company's parent were exchanged into restricted stock awards and stock options to be issued directly by the Company in conjunction with the IPO. The potentially dilutive securities had an anti-dilutive effect in the pro forma year ended December 31, 2020 and the nine months ended September 30, 2020 and were therefore not included in the calculation of unaudited pro forma net (loss) income per share.

Pro forma net (loss) income per share—basic and diluted *(in thousands, except share and per share amounts)*	**Year Ended December 31, 2020**	**Nine Months Ended September 30, 2020**	**Nine Months Ended September 30, 2021**
Numerator:			
Pro forma net (loss) income—basic and diluted	$ (62,379)	$ (58,956)	$ 4,922
Denominator:			
Weighted average number of shares outstanding—basic(1)	149,938,166	149,938,166	149,940,131
Weighted average number of shares outstanding—diluted(1)	149,938,166	149,938,166	150,878,330
Pro forma net (loss) income per share—basic	$ (0.42)	$ (0.39)	$ 0.03
Pro forma net (loss) income per share—diluted	$ (0.42)	$ (0.39)	$ 0.03

(1) Consists of the following:			
Common stock issued as a result of the IPO	22,856,250	22,856,250	n/a
Common stock previously issued and outstanding less nonvested restricted stock	127,081,916	127,081,916	149,940,131
Weighted average number of shares outstanding—basic	149,938,166	149,938,166	149,940,131
Options and restricted stock units to purchase units	—	—	938,199
Weighted average number of shares outstanding—diluted	149,938,166	149,938,166	150,878,330

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Summary—Summary Historical and Pro Forma Consolidated Financial and Other Data" and the consolidated financial statements of First Advantage Corporation and related notes included elsewhere in this prospectus. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs, and that are subject to significant risks and uncertainties, including, but not limited to, those described in the "Risk Factors" and "Forward-Looking Statements" sections of this prospectus. Our actual results may differ materially from those expressed or implied in any forward-looking statements.

Overview

First Advantage is a leading global provider of technology solutions for screening, verifications, safety, and compliance related to human capital. We deliver innovative solutions and insights that help our customers manage risk and hire the best talent. Enabled by our proprietary technology platform, our products and solutions help companies protect their brands and provide safe environments for their customers and their most important resources: employees, contractors, contingent workers, tenants, and drivers.

Our comprehensive product suite includes Criminal Background Checks, Drug / Health Screening, Extended Workforce Screening, Biometrics & Identity, Education / Work Verifications, Resident Screening, Fleet / Driver Compliance, Executive Screening, Data Analytics, Continuous Monitoring, Social Media Monitoring, and Hiring Tax Incentives. We derive a substantial majority of our revenues from pre-onboarding screening.

We perform screening in over 200 countries and territories, enabling us to serve as a one-stop-shop provider to both multinational companies and growth companies. Our more than 30,000 customers are global enterprises, mid-sized, 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 products are sold both individually and bundled. The First Advantage platform offers 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 bundled 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 both customers and periods. 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 do not include minimum order volumes or committed order volumes. Accordingly, contracts do not provide any guarantees of future revenues. Due to our contract terms and the nature of the background screening industry, we determined our contract terms for ASC 606 purposes are less than one year. Through our ongoing dialogue with our customers, we have some visibility into their expected future volumes, although these can be difficult to accurately forecast. 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. A substantial majority of customer orders are completed the same day they are submitted.

We have experienced consistent organic revenue growth, including in 2020 and 2021 despite the impact of COVID-19 on the overall economy. We generated revenues of $509 million for the year ended December 31, 2020 on a pro forma basis, which represents 6% growth as compared to $482 million in 2019. Our revenue growth accelerated to 17% year-over-year in the second half of 2020, driven by the addition of a number of large new customers, upselling and cross-selling existing customers, and strong demand among Enterprise customers in the essential retail, e-commerce, and transportation and home delivery verticals that experienced significant hiring increases as a result of COVID-19. Our revenues have continued to grow in 2021, increasing 42% for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020, on a pro forma basis. These increases were driven by the improvement in the overall economy and hiring market, as well as the addition of a number of large new customers, upselling and cross-selling existing customers, and strong, broad-based demand across our existing customer base. We have experienced additional increases as a result of the U.K. screening business acquisition which closed on March 31, 2021. Approximately 84% of our 2021 revenues for the nine months ended September 30, 2021 was generated in North America, predominantly in the U.S., while the remaining 16% was generated internationally. Other than the United States, no single country accounted for 10% or more of our total revenues during the nine months ended September 30, 2021 (Successor).

Basis of Presentation

On January 31, 2020, Silver Lake acquired substantially all of the equity interests of the Company from STG pursuant to the Silver Lake Transaction. For the purposes of the consolidated financial data included in this prospectus, periods on or prior to January 31, 2020 reflect the financial position, results of operations, and cash flows of the Company and its consolidated subsidiaries prior to the Silver Lake Transaction, referred to herein as the Predecessor, and periods beginning after January 31, 2020 reflect the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries as a result of the Silver Lake Transaction, referred to herein as the Successor. As a result of the Silver Lake Transaction, the results of operations and financial position of the Predecessor and Successor are not directly comparable.

To facilitate comparability across periods, we have presented in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section certain financial information on a pro forma basis, giving pro forma effect to the Transactions as if they had occurred on January 1, 2020 (with respect to the year ended December 31, 2020 and the nine months ended September 30, 2020) and giving pro forma effect to the IPO, this Follow-On Offering, and the SLP Distribution as if they had occurred on January 1, 2020 (with respect to the nine months ended September 30, 2021). Please refer to “Unaudited Pro Forma Consolidated Financial Information” for further details.

We have one operating segment.

Recent Developments

Initial Public Offering

On June 25, 2021, the Company completed the IPO in which it sold 22,856,250 shares of its common stock, including 2,981,250 shares that were sold pursuant to the full exercise of the underwriters’ option to purchase additional shares, at an offering price of $15.00 per share, resulting in net proceeds to us of $316.5 million, after deducting the underwriting discount of $22.3 million and offering expenses of $4.0 million, $0.2 million of which was not paid as of September 30, 2021. Additionally, certain existing stockholders sold an aggregate of 6,468,750 shares, including 843,750 shares that were sold pursuant to the full exercise of the underwriters’ option to purchase additional shares.

Factors Affecting Operating Results

We believe that the future growth and profitability of our business depend on numerous factors, including the following:

Acquiring New Customers

We are focused on continuing to grow our customer base, particularly with respect to high-growth Enterprise customers in attractive industry verticals. Our large, Enterprise customers have increased from 122 companies at the beginning of 2018 to 141 at the end of 2020, and we have over 30,000 total customers. Our customer acquisition strategy depends on our ability to continue to cost-effectively offer innovative and comprehensive products and solutions, maintain our reputation and brand, and continued investment in our verticalized sales strategy. New customers typically begin generating revenues within two to four months of executing a contract and ramp up order volumes over the subsequent three to five month period. We believe there is opportunity to continue to increase our market share globally and grow our international customer base as non-U.S. companies begin adopting or expanding their screening practices.

Expanding Wallet Share with Existing Customers

Our growth in revenues depends on our ability to sell more products and solutions to existing customers. We typically grow our revenues over time with customers as their underlying screening volumes grow and as they roll out our products and solutions to new divisions or geographies, increase our wallet share in multi-provider programs, perform more extensive screens, and purchase additional products and solutions such as continuous screening, hiring tax credits, and fleet solutions. Our Customer Success teams work closely with our customers to further develop their screening, compliance, and risk management programs within their organization and in doing so, frequently identify opportunities to expand their relationship with First Advantage. Our revenue growth with existing customers is also dependent upon our ability to retain customers. In the past three years, we have achieved an average 95% gross retention rate from 2018 to 2020.

Maintaining Performance Through Macroeconomic Environments

Our results are also impacted by our customers' underlying business performance and hiring trends, which drive their demand and budgets for background screening and adjacent products. Our customers' business can be affected by a variety of factors, including general economic conditions and industry-related trends. We are also exposed to hiring cyclicality, as companies typically reduce employee hiring and flexible workforces in weaker economic environments, which can impact demand for our products and solutions. Our ability to grow our business will also depend on the long-term strength, diversity, and durability of the verticals that we invest in and rely upon to drive our revenues.

Developing New Products to Expand Our Revenue Opportunity with Existing Customers

We plan to continue to diversify our product suite beyond pre-onboarding screening by growing our post-onboarding screening and adjacent risk and compliance products. For example, we are currently investing in sources of recurring revenues such as post-onboarding criminal monitoring solutions and re-screening programs. We see opportunities to develop risk management solutions that align with our capabilities, such as franchise screening programs, DOT compliance, and Right to Work checks.

Profitably Managing our Growth

Our ability to grow profitably depends on our ability to manage our cost structure. Our costs are affected by third-party costs including government fees and data vendors, as these third-parties have discretion to adjust pricing, although these third-party fees are typically invoiced to our customers as direct pass-through costs.

Our historical margin expansion has been largely driven by increased automation and deployment of RPA technologies in the background screening process, which has increased our efficiency, quality, and operating leverage. Additionally, we have gained operating leverage from efficiencies and control in managing general and administrative costs. In order to grow profitably, we must make strategic investments that generate incremental revenues and enable us to deliver our products and solutions and support our customers in a cost-effective manner. However, our ability to innovate and drive future reductions of operating costs through automation and digitization requires upfront investment that is not guaranteed to drive the desired outcomes.

COVID-19

In March 2020, the World Health Organization characterized COVID-19 as a pandemic. The COVID-19 pandemic and the ensuing actions that various governments have taken in response have created significant worldwide uncertainty, volatility, and economic disruption and has had significant and unpredictable impacts on global labor markets. U.S. total private hiring volumes declined significantly at the beginning of the COVID-19 pandemic as many companies quickly reduced hiring amid related uncertainty. The U.S. unemployment rate spiked to 15% in April 2020, reflecting its highest rate since the Great Depression. Certain of our existing customers reduced headcount, furloughed employees, implemented hiring freezes, and reduced flexible workforces due to declining business conditions which decreased their spending on background screening. Certain sectors such as travel, dining, and non-essential retail, were especially impacted.

We believe providers with large exposure to apparel, airline, hotel, in-person food & beverage, and SMB customers were heavily impacted during 2020 after COVID-19 driven lockdowns and other measures were taken. There were varying degrees of recovery across these sectors in 2020. First Advantage's revenues declined approximately 14% year-over-year in the second quarter of 2020 as customers reduced order volumes at the onset of the pandemic. In particular, we saw greater revenue declines among our international customers. In response, we enacted hiring reductions, reduced flexible labor, and took other precautionary cost actions. We quickly mobilized our global operations to transition to a work-from-home model and prioritized our order processing capacity to meet the volume demands of customers that still had strong hiring volume. For a short period of time at the onset of the pandemic, we experienced operational disruptions due to court closures and unavailability of certain data sources that resulted in longer turnaround times and depending on our customers' preferences, delayed or required modification of customer deliverables. We also incurred incremental costs of approximately $0.9 million in 2020 and $0.2 million in the nine months ended September 30, 2021 in connection with the COVID-19 pandemic, including costs related to furloughs and severance, increased overtime, and personal protective equipment.

Despite the pandemic and high U.S. unemployment rates, our business recovered in the third quarter of 2020. Our recovery and growth has been driven by our focus on and strength with Enterprise customers in diverse and durable sectors such as e-commerce, essential retail, transportation and home delivery, and new customer wins. We were also nimble in launching new products in response to COVID-19, such as virtual drug testing.

We believe that a continued economic rebound will help drive strong hiring volumes and screening demand globally.

Components of our Results of Operations

Revenues

The Company derives revenues from a variety of screening and adjacent products that cover phases from pre-onboarding screening to post-onboarding screening after the employees, contractors, contingent workers, tenants, and drivers have been onboarded. 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 technology platform, proprietary databases, and data analytics capabilities. Pre-onboarding products, which comprise the substantial majority of our revenues, are comprised of an extensive array of products that customers typically utilize to enhance their evaluation process and ensure compliance with their onboarding criteria from the time a job or other application is submitted to an applicant's successful onboarding. Post-onboarding products are comprised of continuous monitoring and re-screening solutions to help our customers keep their end customers, workforces, and other stakeholders safe, productive, and compliant. Adjacent products include products that complement our pre-onboarding and post-onboarding solutions such as fleet / vehicle compliance, tax credits and incentives, resident/tenant screening, and investigative screening.

Our suite of products is available individually or through bundled 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. A substantial majority of customer orders are completed the same day they are submitted. We similarly recognize revenues for other products as customers receive and consume 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*: 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 include 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 fulfilment 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 include an allocation 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 platform 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. These costs are partially 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 consists primarily of employee compensation such as salaries, bonuses, sales commissions, stock-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 our IPO and now as a public company. We expect our selling, general, and administrative expenses to increase in the short-term, primarily as a result of additional public company related reporting and compliance costs. Over the long-term, we expect our selling, general, and administrative expenses to decrease as a percentage of revenues as we leverage our past investments.

- *Depreciation and Amortizatio*n: 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 the Silver Lake Transaction and other business combinations. The comparability of our operating expenses over time is affected by the increased depreciation and amortization recorded as a result of applying purchase accounting at the time of the Silver Lake Transaction.

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 new customers. Operating expenses are influenced by the amount of revenue and mix of customers that contribute to our revenues for any given period. 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. We regularly review expenses and investments in the context of revenue growth and any shifts we see in cost of services 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 operating expenses will decline gradually as a percentage of total revenues in the future as our business grows and our operating efficiency continues to improve.

Other Expense (Income)

Our other expense (income) consists of the following:

- *Interest Expense*: Relates primarily to our debt service costs and, to a lesser extent, the interest-related expenses of our interest rate swaps and the interest on our capital lease obligations. Additionally, interest expense includes the amortization of deferred financing costs.
- *Interest Income*: We earn interest income on our cash and cash equivalent balances held in interest-bearing accounts. We also earn interest income on our short-term investments which are fixed-time deposits having a maturity date within twelve months.
- *Loss on Extinguishment of Debt*: Reflects losses on the extinguishment of certain debt.
- *Transaction Expenses, Change in Control*: Includes transaction expenses related to the change of control resulting from the Silver Lake Transaction as well as transaction costs related to other business combinations completed as part of our historic business combinations.

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. For example, there are several proposals to change the current tax law, including an increase in the U.S. corporate income tax rate from 21% to 28%, doubling the rate of tax on certain earnings of foreign subsidiaries, creation of a 10% penalty on certain imports, and a 15% minimum tax on worldwide book income. If any or all of these (or similar) proposals are ultimately enacted into law, in whole or in part, they could increase our effective tax rate.

Results of Operations

The comparability of our operating results in the year ended December 31, 2020 compared to the year ended December 31, 2019 and the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 was impacted by our accounting for the Silver Lake Transaction. The period from January 1, 2020 through January 31, 2020 relate to the Predecessor and the period from February 1, 2020 through September 30, 2020 and the period from February 1, 2020 through December 31, 2020 relate to the Successor. To assist with period-to-period comparisons, we have included the unaudited pro forma consolidated financial information for the nine months ended September 30, 2021 and the year ended December 31, 2020 that gives effect to the Transactions as if they had occurred at January 1, 2020. For a discussion of pro forma adjustments, see "Unaudited Pro Forma Consolidated Financial Information." These pro forma adjustments are prepared in accordance with Article 11 of Regulation S-X to include additional amortization related to the intangible assets recognized at fair value in the Silver Lake Transaction, differences in interest expense associated with the Silver Lake Transaction Refinancing, differences in interest expense associated with the reduction of debt, differences in share-based compensation expense. We compare results for the year ended December 31, 2019 (Predecessor) to the pro forma results for the twelve months ended December 31, 2020, after giving effect to the Transactions, and the pro forma results for the nine months ended September 30, 2020 after giving effect to the Transactions and the nine months ended September 30, 2021 after giving effect to the IPO Transactions, this Follow-On Offering, and the SLP Distribution. We present the information for the nine month period ended September 30, 2021 in this format to assist readers in understanding and assessing the trends and significant changes in our results of operations on a comparable basis. We believe this presentation is appropriate because it provides a meaningful comparison and relevant analysis of our results of operations for the relevant periods

Comparison of Results of Operations for the Nine Months Ended September 30, 2021 (Successor) compared to the Period from February 1, 2020 through September 30, 2020 (Successor) and the Period from January 1, 2020 through January 31, 2020 (Predecessor)

	Predecessor	Successor					
(In thousands)	Period from January 1 through January 31, 2020	Period from February 1 through September 30, 2020	Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Revenues	$ 36,785	$ 315,825	$ 499,763	$ —	$ 352,610	$ —	$ 499,763
Operating expenses:							
Cost of services (exclusive of depreciation and amortization below)	20,265	156,703	244,964	44	177,012	4	244,968
Product and technology expense	3,189	20,495	33,546	124	23,808	17	33,563
Selling, general, and administrative expense	11,235	46,206	76,256	2,282	59,723	80	76,336
Depreciation and amortization	2,105	97,815	106,493	8,320	108,240	—	106,493
Total operating expenses	36,794	321,219	461,259	10,770	368,783	101	461,360
(Loss) income from operations	(9)	(5,394)	38,504	(10,770)	(16,173)	(101)	38,403
Other expense (income)							
Interest expense	4,514	38,405	22,015	(3,717)	39,202	(5,841)	16,174
Interest income	(25)	(282)	(140)	—	(307)	—	(140)
Loss on extinguishment of debt	10,533	—	13,938	(10,533)	—	—	13,938
Transaction expenses change in control	22,370	9,423	—	(22,370)	9,423	—	—
Total other expense	37,392	47,546	35,813	(36,620)	48,318	(5,841)	29,972
(Loss) income before provision for income taxes	(37,401)	(52,940)	2,691	25,850	(64,491)	5,740	8,431
(Benefit) provision for income taxes	(871)	(11,308)	2,025	6,644	(5,535)	1,484	3,509
Net (loss) income	$ (36,530)	$ (41,632)	$ 666	$ 19,206	$ (58,956)	$ 4,256	$ 4,922
Net (loss) income margin	(99.3)%	(13.2)%	0.1%	—	(16.7)%	—	1.0%

Revenues

(in thousands)	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through September 30, 2020	Successor Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Revenues	$ 36,785	$ 315,825	$ 499,763	$ —	$ 352,610	$ —	$ 499,763

Revenues were $499.8 million for the nine months ended September 30, 2021 (Successor), compared to $315.8 million for the period from February 1, 2020 through September 30, 2020 (Successor) and $36.8 million for the period from January 1, 2020 through January 31, 2020 (Predecessor). Revenue for the nine months ended September 30, 2021 (Successor) increased by $147.2 million, or 41.7%, compared to the nine months ended September 30, 2020, on a pro forma basis.

The increase in revenues was primarily driven by:

- a net increase of $99.9 million in existing customer revenues, primarily driven by a strong, broad-based recovery in demand as compared to the second and third quarters of 2020 which were negatively impacted by the COVID-19 pandemic, increased revenue growth in key verticals and geographies, and on-going strength in upsell and cross-sell. These existing customer increases were offset by the impact of lost accounts,
- increased revenues of $31.4 million attributable to new customers, and
- revenues of $15.9 million attributable to the U.K. screening business acquisition.

The Company experienced high demand among customers in the essential retail, e-commerce, transportation and home delivery, technology and business services, and flexible workforce / staffing verticals through the first three quarters of 2021. Pricing was relatively stable across all periods.

Cost of Services

(in thousands, except percentages)	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through September 30, 2020	Successor Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Revenues	$ 36,785	$ 315,825	$ 499,763	$ —	$ 352,610	$ —	$ 499,763
Cost of services	20,265	156,703	244,964	44	177,012	4	244,968
Cost of services as a % of revenue	55.1%	49.6%	49.0%	—	50.2%	—	49.0%

Cost of services was $245.0 million for the nine months ended September 30, 2021 (Successor), compared to $156.7 million for the period from February 1, 2020 through September 30, 2020 (Successor) and $20.3 million for the period from January 1, 2020 through January 31, 2020 (Predecessor). Cost of services for the nine months ended September 30, 2021 (Successor) increased by $68.0 million, or 38.4%, compared to the nine months ended September 30, 2020, on a pro forma basis.

The increase in cost of services was primarily due to:

- an increase in variable third-party data expenses of $57.4 million as a direct result of increased revenues,
- an $8.1 million increase in personnel related expenses in our operations and customer service functions as a result of additional operational support headcount to process and fulfill the Company's high levels of order volume growth, particularly in the second and third quarters of 2021. This increase is further impacted by the COVID-19 related personnel and benefit expense reduction actions taken in the second and third quarters of 2020 that did not continue into 2021,
- foreign currency exchange losses of $0.8 million due to the impact of foreign exchange rate volatility, and
- a number of cost of services related operating expense increases attributable to the increased revenue volumes experienced in 2021.

The increase in cost of services was partially offset by:

- a $0.3 million decrease in travel-related expenses due to COVID-19 related restrictions.

Cost of services as a percentage of revenues was 49.0% for the nine months ended September 30, 2021 (Successor), compared to 49.6% for the period from February 1, 2020 through September 30, 2020 (Successor) and 55.1% for the period from January 1, 2020 through January 31, 2020 (Predecessor). The Company was able to continue to improve cost of services leverage in 2021 as a result of operating efficiencies, leveraging our proprietary data assets, and robotic process automation which helped control personnel expenses. We also had reduced travel costs as a result of COVID-19 related restrictions.

Product and Technology Expense

	Predecessor	Successor					
(in thousands)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Product and technology expense	$ 3,189	$ 20,495	$ 33,546	$ 124	$ 23,808	$ 17	$ 33,563

Product and technology expense was $33.5 million for the nine months ended September 30, 2021 (Successor), compared to $20.5 million period from February 1, 2020 through September 30, 2020 (Successor) and $3.2 million for the period from January 1, 2020 through January 31, 2020 (Predecessor). Product and technology expense for the nine months ended September 30, 2021 (Successor) increased by $9.8 million, or 41.0%, compared to the nine months ended September 30, 2020, on a pro forma basis.

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

- a $5.7 million increase in personnel-related expenses as a result of additional investments made to enhance our product, solutions, and technology platform,
- a $3.2 million increase in software licensing related expenses, and
- a $1.1 million increase in professional service fees.

Selling, General, and Administrative Expense

(in thousands)	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through September 30, 2020	Successor Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Selling, general, and administrative expense	$ 11,235	$ 46,206	$ 76,256	$ 2,282	$ 59,723	$ 80	$ 76,336

Selling, general, and administrative expense was $76.3 million for the nine months ended September 30, 2021 (Successor), compared to $46.2 million for the period from February 1, 2020 through September 30, 2020 (Successor) and $11.2 million for the period from January 1, 2020 through January 31, 2020 (Predecessor). Selling, general, and administrative expense for the nine months ended September 30, 2021 (Successor) increased by $16.6 million, or 27.8%, compared to the nine months ended September 30, 2020, on a pro forma basis.

Selling, general, and administrative expense increased primarily due to:

- a $6.2 million increase in professional service fees incurred related to the Company's IPO, related readiness expenses, and insurance expenses incurred related to the Company becoming a publicly traded company,
- a $5.3 million increase in commissions and bonus related expenses due to the Company's improved operating results in 2021,
- a $4.6 million increase in personnel related expenses primarily due to additional investments made in the Company's Sales and Customer Success functions, additional headcount related to operating as a public company and COVID-19 related personnel and benefit expense reduction actions taken in 2020 that did not continue into 2021,
- a $1.9 million increase in legal expenses (see Note 12 to the condensed consolidated financial statements), and
- a number of other corporate expenses that increased primarily as a result of the Company now being a publicly traded company and COVID-19 related expense reductions in 2020 that did not continue into 2021.

The increase in selling, general, and administrative expense was partially offset by:

- a $2.8 million decrease in stock-based compensation expenses primarily as a result of accelerated vesting related to the Silver Lake Transaction that did not reoccur in 2021 and the pro forma impact of the proposed Follow-On Offering and SLP Distribution, offset by performance related vesting as a result of the IPO and incremental awards granted in conjunction with the Company's IPO.

Depreciation and Amortization

(in thousands)	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through September 30, 2020	Successor Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Depreciation and amortization	$ 2,105	$ 97,815	$ 106,493	$ 8,320	$ 108,240	$ —	$ 106,493

Depreciation and amortization was $106.5 million for the nine months ended September 30, 2021 (Successor), compared to $97.8 million for the period from February 1, 2020 through September 30, 2020 (Successor) and $2.1 million for the period from January 1, 2020 through January 31, 2020 (Predecessor). Depreciation and amortization for the nine months ended September 30, 2021 (Successor) decreased by $1.7 million, or 1.6%, compared to the nine months ended September 30, 2020, on a pro forma basis. This decrease 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 Silver Lake Transaction, of which the intangible asset amortization is accelerated based on the relative projected discounted cash flows. This decrease was partially offset by increases in depreciation related to assets placed in service during the nine months ended September 30, 2021 (Successor).

Interest Expense

	Predecessor	Successor					
(*in thousands*)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Interest expense	$ 4,514	$ 38,405	$ 22,015	$ (3,717)	$ 39,202	$ (5,841)	$ 16,174

Interest expense was $22.0 million for the nine months ended September 30, 2021 (Successor), compared to $38.4 million for the period from February 1, 2020 through September 30, 2020 (Successor) and $4.5 million for the period from January 1, 2020 through January 31, 2020 (Predecessor). Interest expense for the nine months ended September 30, 2021 (Successor) decreased by $23.0 million, or 58.7%, compared to the nine months ended September 30, 2020, on a pro forma basis.

This decrease in interest expense for the nine months ended September 30, 2021 (Successor), compared to the period from February 1, 2020 through September 30, 2020 (Successor) and for the period from January 1, 2020 through January 31, 2020 (Predecessor) was primarily due to the impact of the Company's February 2021 refinancing of the Successor First Lien Credit Facility (as defined under "—Liquidity—Long-Term Debt" below) and early repayment of the Successor Second Lien Credit Facility (as defined under "—Liquidity—Long-Term Debt" below), resulting in interest rate savings due to lower principal and more favorable interest rate margins. This decrease was partially offset by a one-time increase in interest expense associated with the repayment of $200.0 million of the Successor First Lien Credit Facility, in conjunction with the Company's IPO, resulting in accelerated amortization of the related deferred financing costs.

Interest Income

	Predecessor	Successor					
(*in thousands*)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Interest income	$ (25)	$ (282)	$ (140)	$ —	$ (307)	$ —	$ (140)

Interest income was $(0.1) million for the nine months ended September 30, 2021 (Successor), compared to $(0.3) million for the period from February 1, 2020 through September 30, 2020 (Successor) and $0.0 million for the period from January 1, 2020 through January 31, 2020 (Predecessor). Interest income for the nine months ended September 30, 2021 (Successor) decreased by $0.2 million, or 54.4%, compared to the nine months ended September 30, 2020, on a pro forma basis.

Interest income decreases were primarily due to general decreases in interest rates.

Loss on Extinguishment of Debt

	Predecessor	Successor		Pro Forma	Pro Forma	Pro Forma	Pro Forma
(*in thousands*)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Adjustments for the Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2020	Adjustments for the Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Loss on extinguishment of debt	$ 10,533	$ —	$ 13,938	$ (10,533)	$ —	$ —	$ 13,938

Loss on extinguishment of debt for the nine months ended September 30, 2021 (Successor) relates to expenses stemming from the write-off of debt issuance costs associated with the February 2021 refinancing of the Successor First Lien Credit Facility and early repayment of the Successor Second Lien Credit Facility.

Loss on extinguishment of debt for the period from January 1, 2020 through January 31, 2020 (Predecessor), relates to expenses stemming from the write-off of debt issuance costs as a result of prepayment of the Company's outstanding debt obligations in connection with the Silver Lake Transaction.

Transaction Expenses, Change in Control

	Predecessor	Successor		Pro Forma	Pro Forma	Pro Forma	Pro Forma
(*in thousands*)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Adjustments for the Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2020	Adjustments for the Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Transaction expenses, change in control	$ 22,370	$ 9,423	$ —	$ (22,370)	$ 9,423	$ —	$ —

Transaction expenses, change in control relate solely to costs relating to the Silver Lake Transaction that are recorded on our books and are therefore only included in our results of operations for the period from February 1, 2020 through September 30, 2020 (Successor) and for the period from January 1, 2020 through January 31, 2020 (Predecessor).

(Benefit) Provision for Income Taxes

	Predecessor	Successor		Pro Forma	Pro Forma	Pro Forma	Pro Forma
(*in thousands*)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Adjustments for the Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2020	Adjustments for the Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2021
(Benefit) provision for income taxes	$ (871)	$ (11,308)	$ 2,025	$ 6,644	$ (5,535)	$ 1,484	$ 3,509

Our provision (benefit) for income taxes was $2.0 million for the nine months ended September 30, 2021 (Successor), compared to $(11.3) million for the period from February 1, 2020 through September 30, 2020

(Successor) and $(0.9) million for the period from January 1, 2020 through January 31, 2020 (Predecessor). Our provision for income taxes for the nine months ended September 30, 2021 (Successor) increased by $9.0 million, or 163.4%, compared to the nine months ended September 30, 2020, on a pro forma basis.

The increase in our provision for income taxes was primarily due to the reversal of our valuation allowance after the Silver Lake Transaction during the period from February 1, 2020 through September 30, 2020 (Successor), the additional tax expense incurred associated with an increase to U.K. deferred tax liabilities due to an increase in the U.K. corporate tax rate and increased foreign tax expense incurred as a result of taxable income increase in certain jurisdictions during the nine months ended September 30, 2021 (Successor). These increases were partially offset by benefits from research and development tax credits and a favorable discrete adjustment from the finalization of the 2020 income tax returns.

Net (Loss) Income and Net (Loss) Income Margin

	Predecessor	Successor					
(*in thousands, except percentages*)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Month Ended September 30, 2021	Pro Forma Adjustments for the Nine Month Ended September 30, 2020	Pro Forma Nine Month Ended September 30, 2020	Pro Forma Adjustments for the Nine Month Ended September 30, 2021	Pro Forma Nine Month Ended September 30, 2021
Net (loss) income	$ (36,530)	$ (41,632)	$ 666	$ 19,206	$ (58,956)	$ 4,256	$ 4,922
Net (loss) income margin	(99.3)%	(13.2)%	0.1%	—	(16.7)%	—	1.0%

Net income was $0.7 million for the nine months ended September 30, 2021 (Successor), compared to a net (loss) of $(41.6) million for the period from February 1, 2020 through September 30, 2020 (Successor) and $(36.5) million for the period from January 1, 2020 through January 31, 2020 (Predecessor). Net income for the nine months ended September 30, 2021 (Successor) increased by $63.9 million, or 108.3%, compared to the nine months ended September 30, 2020, on a pro forma basis, due to the factors described above.

Net income (loss) margin was 0.1% for the nine months ended September 30, 2021 (Successor), compared to (13.2)% for the period from February 1, 2020 through September 30, 2020 (Successor) and (99.3)% for the period from January 1, 2020 through January 31, 2020 (Predecessor). Net (loss) margin for the nine months ended September 30, 2020, on a pro forma basis after giving effect to the Silver Lake Transaction, was (16.7)%.

The improvement in our net income (loss) margin is attributable to our ability to leverage operating efficiencies to control our overall expenses while increasing revenue and our reduction in interest expense as a result of the February 2021 refinancing.

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Comparison of Results of Operations for the Period from February 1, 2020 through December 31, 2020 (Successor) and for the Period from January 1, 2020 through January 31, 2020 (Predecessor) compared to the Year Ended December 31, 2019 (Predecessor)

	Predecessor	Predecessor	Successor		
(In thousands)	For the Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Revenues	$ 481,767	$ 36,785	$ 472,369	$ —	$ 509,154
Operating expenses:					
Cost of services (exclusive of depreciation and amortization below)	245,324	20,265	240,287	61	260,613
Product and technology expense	33,239	3,189	32,201	175	35,565
Selling, general, and administrative expense	85,084	11,235	66,864	3,157	81,256
Depreciation and amortization	25,953	2,105	135,057	6,124	143,286
Total operating expenses	389,600	36,794	474,409	9,517	520,720
Income (loss) from operations	92,167	(9)	(2,040)	(9,517)	(11,566)
Other expense (income)					
Interest expense	51,964	4,514	47,914	(5,744)	46,684
Interest income	(945)	(25)	(530)	—	(555)
Loss on extinguishment of debt:	—	10,533	—	(10,533)	—
Transaction expenses change in control	—	22,370	9,423	(22,370)	9,423
Total other expense	51,019	37,392	56,807	(38,647)	55,552
Income (loss) before provision for income taxes	41,148	(37,401)	(58,847)	29,130	(67,118)
Provision (benefit) for income taxes	6,898	(871)	(11,355)	7,487	(4,739)
Net income (loss)	$ 34,250	$ (36,530)	$ (47,492)	$ 21,643	$ (62,379)
Net income (loss) margin	7.1%	(99.3)%	(10.1)%	—	(12.3)%

Revenues

	Predecessor	Predecessor	Successor		
(in thousands)	For the Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Revenues	$ 481,767	$ 36,785	$ 472,369	$ —	$ 509,154

Revenues were $472.4 million for the period from February 1, 2020 through December 31, 2020 (Successor) and $36.8 million for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to $481.8 million for the year ended December 31, 2019 (Predecessor). On a pro forma basis, revenues were $509.2 million for the year ended December 31, 2020, an increase of $27.4 million, or 5.7%, compared to the year ended December 31, 2019. This represents a deceleration in growth relative to prior years due to the impact of COVID-19.

The increase in revenues was primarily driven by:

- increased revenues of $44.6 million from new customers.

The increase in revenues was partially offset by:

- a $17.2 million net decrease in existing customer revenue, primarily driven by reduced demand from certain customers more impacted by COVID-19 and the impact of lost accounts. These decreases were partially offset by increased revenue from certain existing customers, including ongoing strength in demand, upselling and cross-selling.

We experienced high demand among certain Enterprise customers in the essential retail, e-commerce, and transportation and home delivery verticals, particularly in the second half of 2020. Pricing was relatively stable across the periods.

Cost of Services

	Predecessor	Predecessor	Successor		
(in thousands)	For the Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Revenues	$ 481,767	$ 36,785	$ 472,369	$ —	$ 509,154
Cost of services	245,324	20,265	240,287	61	260,613
Cost of services as a % of revenue	50.9%	55.1%	50.9%	—	51.2%

Cost of services was $240.3 million for the period from February 1, 2020 through December 31, 2020 (Successor) and $20.3 million for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to $245.3 million for the year ended December 31, 2019 (Predecessor). On a pro forma basis, cost of services was $260.6 million for the year ended December 31, 2020, an increase of $15.3 million, or 6.2%, compared to the year ended December 31, 2019.

The increase in cost of services was primarily due to:

- an increase in variable third-party data expenses of $23.2 million as a direct result of the increased revenues.

The increase in cost of services was partially offset by:

- a $6.0 million decrease in personnel related expenses in our operations and customer service functions as a result of our continued investment in robotics process automation and productivity efficiencies, and
- a $1.7 million decrease in travel-related expenses due to COVID-19 related restrictions

Cost of services as a percentage of revenues was 50.9% for the period from February 1, 2020 through December 31, 2020 (Successor) and 55.1% for the period from January 1, 2020 through January 31, 2020 (Predecessor), which was relatively flat compared to 50.9% for the year ended December 31, 2019 (Predecessor). We were able to maintain this percentage in 2020 by leveraging our operating efficiencies to control our personnel expenses and also as a result of reduced travel costs as a result of COVID-19 related restrictions.

Product and Technology Expense

(in thousands)	Predecessor For the Year Ended December 31, 2019	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Product and technology expense	$ 33,239	$ 3,189	$ 32,201	$ 175	$ 35,565

Product and technology expense was $32.2 million for the period from February 1, 2020 through December 31, 2020 (Successor) and $3.2 million for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to $33.2 million for the year ended December 31, 2019 (Predecessor). On a pro forma basis, product and technology expense was $35.6 million for the year ended December 31, 2020, an increase of $2.3 million, or 7.0%, compared to the year ended December 31, 2019.

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

- a $1.7 million increase in personnel-related expenses as a result of additional investments made to enhance our product, solutions and technology platform, and
- an increase in software licensing expenses.

Selling, General, and Administrative Expense

(in thousands)	Predecessor For the Year Ended December 31, 2019	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Selling, general, and administrative expense	$ 85,084	$ 11,235	$ 66,864	$ 3,157	$ 81,256

Selling, general, and administrative expense was $66.9 million for the period from February 1, 2020 through December 31, 2020 (Successor) and $11.2 million for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to $85.1 million for the year ended December 31, 2019 (Predecessor). On a pro forma basis, selling, general, and administrative expense was $81.3 million for the year ended December 31, 2020, a decrease of $3.8 million, or 4.5%, compared to the year ended December 31, 2019.

Selling, general, and administrative expense decreased primarily due to:

- a $4.5 million reduction in travel and marketing related expenses as a result of COVID-19 related restrictions,
- a $3.4 million decrease in legal expenses (see Note 13 to the consolidated financial statements included elsewhere in this prospectus), and
- decreases in various other expenses primarily related to COVID-19 cost saving measures. The decrease in selling, general, and administrative expense was partially offset by:
- a $7.7 million increase in stock-based compensation expenses primarily the result of accelerated vesting related to the Silver Lake Transaction and the pro forma impact of the proposed Follow-On Offering and the SLP Distribution.

Depreciation and Amortization

(in thousands)	Predecessor For the Year Ended December 31, 2019	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Depreciation and amortization	$ 25,953	$ 2,105	$ 135,057	$ 6,124	$ 143,286

Depreciation and amortization was $135.1 million for the period from February 1, 2020 through December 31, 2020 (Successor) and $2.1 million for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to $26.0 million for the year ended December 31, 2019 (Predecessor). On a pro forma basis, depreciation and amortization was $143.3 million for the year ended December 31, 2020, an increase of $117.3 million, or 452.1%, compared to the year ended December 31, 2019.

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 Silver Lake Transaction.

Interest Expense

(in thousands)	Predecessor For the Year Ended December 31, 2019	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Interest expense	$ 51,964	$ 4,514	$ 47,914	$ (5,744)	$ 46,684

Interest expense was $47.9 million for the period from February 1, 2020 through December 31, 2020 (Successor) and $4.5 million for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to $52.0 million for the year ended December 31, 2019 (Predecessor). On a pro forma basis, interest expense was $46.7 million for the year ended December 31, 2020, a decrease of $5.3 million, or 10.2%, compared to the year ended December 31, 2019.

This increase in interest expense from the period from February 1, 2020 through December 31, 2020 (Successor) and for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to the year ended December 31, 2019 (Predecessor) was primarily due to the impact of the increase in outstanding debt related to the refinancing of our credit facilities in 2020 and the fair value measurement of our interest rate swaps. As part of the Silver Lake Transaction, we repaid our existing debt obligations and established a new $670.0 million first lien credit facility and $145.0 million second lien credit facility. The increase in interest rates as a result of increased borrowings was partially offset by interest rate savings due to more favorable interest rate margins under the new credit facilities and lower LIBOR rates.

Interest Income

(in thousands)	Predecessor For the Year Ended December 31, 2019	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Interest income	$ (945)	$ (25)	$ (530)	$ —	$ (555)

Interest income was $0.5 million for the period from February 1, 2020 through December 31, 2020 (Successor) and $0.0 million for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to $1.0 million, for the year ended December 31, 2019 (Predecessor). On a pro forma basis, interest income was $0.6 million for the year ended December 31, 2020, a decrease of $0.4 million, or 41.3%, compared to the year ended December 31, 2019.

Interest income decreases were primarily due to general decreases in interest rates.

Loss on Extinguishment of Debt

(in thousands)	Predecessor For the Year Ended December 31, 2019	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Loss on extinguishment of debt	$ —	$ 10,533	$ —	$ (10,533)	$ —

Loss on extinguishment of debt relates to expenses stemming from the write-off of debt issuance costs as a result of prepayment of the Company's outstanding debt obligations in connection with the Silver Lake Transaction.

Transaction Expenses, Change in Control

(in thousands)	Predecessor For the Year Ended December 31, 2019	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Transaction expenses, change in control	$ —	$ 22,370	$ 9,423	$ (22,370)	$ 9,423

Transaction expenses, change in control relate solely to costs relating to the Silver Lake Transaction that are recorded on our books and are therefore only included in our results of operations for the period from February 1, 2020 through December 31, 2020 (Successor) and for the period from January 1, 2020 through January 31, 2020 (Predecessor).

Provision (benefit) for Income Taxes

(in thousands)	Predecessor For the Year Ended December 31, 2019	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Provision (benefit) for income taxes	$ 6,898	$ (871)	$ (11,355)	$ 7,487	$ (4,739)

Our (benefit) provision for income taxes was $(11.4) million for the period from February 1, 2020 through December 31, 2020 (Successor) and $(0.9) million for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to $6.9 million for the year ended December 31, 2019 (Predecessor). On a pro forma basis, our (benefit) provision for income taxes was $(4.7) million for the year ended December 31, 2020, a decrease of $11.6 million, or 168.7%, compared to the year ended December 31, 2019.

This change from an expense to a benefit was primarily due to the reversal of our valuation allowance after the Silver Lake Transaction and the monthly reversal of the large, deferred tax liability established on the acquired identifiable intangibles after the Silver Lake Transaction.

Net Income (Loss) and Net Income (Loss) Margin

(in thousands)	Predecessor For the Year Ended December 31, 2019	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Net income (loss)	$ 34,250	$ (36,530)	$ (47,492)	$ 21,643	$ (62,379)
Net income (loss) margin	7.1%	(99.3)%	(10.1)%	—	(12.3)%

Net income (loss) was $(47.5) million for the period from February 1, 2020 through December 31, 2020 (Successor) and $(36.5) million for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to $34.3 million, for the year ended December 31, 2019 (Predecessor). Net income (loss) for the year ended December 31, 2020, on a pro forma basis, decreased by $96.6 million or 282.1%, compared to the year ended December 31, 2019 due to the factors described above.

Net income (loss) margin was (10.1)% for the period from February 1, 2020 through December 31, 2020 (Successor) and (99.3)% for the period from January 1, 2020 through January 31, 2020 (Predecessor), compared to 7.1% for the year ended December 31, 2019 (Predecessor). Net income (loss) margin for the year ended December 31, 2020, on a pro forma basis, was (12.3)%.

The decrease is primarily due to the deceleration in revenue growth due to the impact of COVID-19, and 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 Silver Lake Transaction.

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. These measures are used by management in making operating decisions, allocating financial resources, and internal planning and forecasting, and for business strategy purposes. These measures constitute non-GAAP measures. See “Non-GAAP Financial Measures.” 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 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 $123.8 million for the year ended December 31, 2019 (Predecessor) and represented an Adjusted EBITDA Margin of 26%. Adjusted EBITDA was $7.0 million for the period from January 1, 2020 through January 31, 2020 (Predecessor) and represented an Adjusted EBITDA Margin of 19%. Adjusted EBITDA was $139.8 million for the period from February 1, 2020 through December 31, 2020 (Successor) and represented an Adjusted EBITDA Margin of 30%. On a pro forma basis, Adjusted EBITDA was $146.8 million for the year ended December 31, 2020 and represented an Adjusted EBITDA Margin of 29%.

Adjusted EBITDA was $95.1 million and $7.0 million for the period from February 1, 2020 through September 30, 2020 (Successor) and the period from January 1, 2020 through January 31, 2020 (Predecessor), respectively. This represented an Adjusted EBITDA Margin of 30% and 19% for the period from February 1, 2020 through September 30, 2020 (Successor) and the period from January 1, 2020 through January 31, 2020 (Predecessor), respectively. On a pro forma basis, Adjusted EBITDA was $102.2 million for the nine months ended September 30, 2020 and represented an Adjusted EBITDA Margin of 29%, and was $156.9 million for the nine months ended September 30, 2021 and represented an Adjusted EBITDA Margin of 31%.

Growth in Adjusted EBITDA was driven primarily from revenue growth attributed to new and existing customers and margin expansion attributed to increased automation, cost discipline, and operating leverage.

The following table presents a reconciliation of Adjusted EBITDA for the periods presented. For a discussion of pro forma adjustments, see "Unaudited Pro Forma Consolidated Financial Information."

	Predecessor	Successor					
(In thousands)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Net (loss) income	$ (36,530)	$ (41,632)	$ 666	$ 19,206	$ (58,956)	$ 4,256	$ 4,922
Interest expense, net	4,489	38,123	21,875	(3,717)	38,895	(5,841)	16,034
(Benefit) provision for income taxes	(871)	(11,308)	2,025	6,644	(5,535)	1,484	3,509
Depreciation and amortization	2,105	97,815	106,493	8,320	108,240	—	106,493
Loss on extinguishment of debt	10,533	—	13,938	(10,533)	—	—	13,938
Share-based compensation	3,976	1,331	4,569	2,450	7,757	101	4,670
Transaction and acquisition-related charges[(a)]	22,840	9,578	6,510	(22,370)	10,048	—	6,510
Integration and restructuring charges[(b)]	327	288	584	—	615	—	584
Other[(c)]	153	936	196	—	1,089	—	196
Adjusted EBITDA	**$ 7,022**	**$ 95,131**	**$ 156,856**	**$ —**	**$ 102,153**	**$ —**	**$ 156,856**

(In thousands)	Predecessor Year Ended December 31, 2019	Predecessor Period from January 1 through January 31, 2020	Successor Period from February 1 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Net income (loss)	$ 34,250	$ (36,530)	$ (47,492)	$ 21,643	$ (62,379)
Interest expense, net	51,019	4,489	47,384	(5,744)	46,129
Provision (benefit) for income taxes	6,898	(871)	(11,355)	7,487	(4,739)
Depreciation and amortization	25,953	2,105	135,057	6,124	143,286
Loss on extinguishment of debt	—	10,533	—	(10,533)	—
Share-based compensation	1,216	3,976	1,876	3,393	9,245
Transaction and acquisition-related charges[a]	1,198	22,840	10,146	(22,370)	10,616
Integration and restructuring charges[b]	—	327	3,413	—	3,740
Other[c]	3,239	153	747		900
Adjusted EBITDA	**$ 123,773**	**$ 7,022**	**$ 139,776**	**$ —**	**$ 146,798**

(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. Additionally, the nine months ended September 30, 2021 includes incremental professional service fees incurred related to the IPO.

(b) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.

(c) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets. Additionally, the period from February 1, 2020 through December 31, 2020 (Successor) includes the incremental costs incurred due to COVID-19.

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.

(in thousands)	Predecessor Period from January 1, 2020 through January 31, 2020	Successor Period from February 1, 2020 through September 30, 2020	Successor Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Adjusted EBITDA	$ 7,022	$ 95,131	$ 156,856	$ —	$ 102,153	$ —	$ 156,856
Revenues	36,785	315,825	499,763	—	352,610	—	499,763
Adjusted EBITDA Margin	**19%**	**30%**	**31%**	**—**	**29%**	**—**	**31%**

(In thousands)	Predecessor Year Ended December 31, 2019	Predecessor Period from January 1 through January 31, 2020	Successor Period from February 1 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Adjusted EBITDA	$ 123,773	$ 7,022	$ 139,776	$ —	$ 146,798
Total Revenues	481,767	36,785	472,369	—	509,154
Adjusted EBITDA Margin	**26%**	**19%**	**30%**	**—**	**29%**

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Adjusted Net Income

Similar to Adjusted EBITDA, management believes that Adjusted Net Income is a strong indicator of our overall operating performance and is useful to our management and investors as a measure of comparative operating performance from period to period. We define Adjusted Net Income for a particular period as net income 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 and non-cash charges, to which we then apply the related effective tax rate.

Adjusted Net Income was $44.9 million in the year ended December 31, 2019 (Predecessor), compared to $1.4 million for the period from January 1, 2020 through January 31, 2020 (Predecessor) and $63.9 million for the period from February 1, 2020 through December 31, 2020 (Successor). On a pro forma basis, Adjusted Net Income was $73.5 million for the year ended December 31, 2020.

Adjusted Net Income was $39.1 million and $1.4 million for the period from February 1, 2020 through September 30, 2020 (Successor) and the period from January 1, 2020 through January 31, 2020 (Predecessor), respectively, compared to $95.9 million for the nine months ended September 30, 2021. On a pro forma basis, Adjusted Net Income was $47.4 million and $99.8 million for the nine months ended September 30, 2020 and the nine months ended September 30, 2021, respectively.

This growth was driven primarily by the same factors contributing to Adjusted EBITDA growth, though impacted by changes in our capital structure that are captured in interest expense. The purchase accounting from the Silver Lake Transaction and our debt refinancing at the beginning of 2020 and 2021 impacts the comparability of Adjusted Net Income across historical periods.

The following tables present a reconciliation of Adjusted Net Income for the periods presented. For a discussion of pro forma adjustments, see "Unaudited Pro Forma Consolidated Financial Information."

	Predecessor	Successor					
(in thousands)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Net (loss) income	$ (36,530)	$ (41,632)	$ 666	$ 19,206	$ (58,956)	$ 4,256	$ 4,922
(Benefit) provision for income taxes	(871)	(11,308)	2,025	6,644	(5,535)	1,484	3,509
(Loss) income before provision for income taxes	(37,401)	(52,940)	2,691	25,850	(64,491)	5,740	8,431
Debt-related costs[(a)]	11,102	2,344	19,703	(4,952)	8,494	(593)	19,110
Acquisition-related depreciation and amortization[(b)]	848	91,149	95,047	8,320	100,317	—	95,047
Share-based compensation	3,976	1,331	4,569	2,450	7,757	101	4,670
Transaction and acquisition-related charges[(c)]	22,840	9,578	6,510	(22,370)	10,048	—	6,510
Integration and restructuring charges[(d)]	327	288	584	—	615	—	584
Other[(e)]	153	936	196	—	1,089	—	196
Adjusted net income before income tax effect	1,845	52,686	129,300	9,298	63,829	5,248	134,548
Less: Income tax effect[(f)]	474	13,540	33,431	2,390	16,404	1,357	34,781
Adjusted Net Income	**$ 1,371**	**$ 39,146**	**$ 95,869**	**$ 6,908**	**$ 47,425**	**$ 3,891**	**$ 99,767**

(In thousands)	Predecessor: Year Ended December 31, 2019	Predecessor: Period from January 1 through January 31, 2020	Successor: Period from February 1 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020	Pro Forma Twelve Months Ended December 31, 2020
Net income (loss)	$ 34,250	$ (36,530)	$ (47,492)	$ 21,643	$ (62,379)
Provision for income taxes	6,898	(871)	(11,355)	7,487	(4,739)
Income (loss) before provision for income taxes	41,148	(37,401)	(58,847)	29,130	(67,118)
Debt-related costs[a]	3,174	11,102	3,242	(5,150)	9,194
Acquisition-related depreciation and amortization[b]	11,074	848	125,419	6,124	132,391
Share-based compensation	1,216	3,976	1,876	3,393	9,245
Transaction and acquisition-related charges[c]	1,198	22,840	10,146	(22,370)	10,616
Integration and restructuring charges[d]	—	327	3,413	—	3,740
Other[e]	3,239	153	747	—	900
Adjusted net income before income tax effect	61,049	1,845	85,996	11,127	98,968
Less: Income tax effect[f]	16,117	474	22,101	2,860	25,435
Adjusted Net Income	**$ 44,932**	**$ 1,371**	**$ 63,895**	**$ 8,267**	**$ 73,533**

(a) Represents the loss on extinguishment of debt and non-cash interest expense related to the amortization of debt issuance costs for the financing for the Silver Lake Transaction.

(b) Represents the depreciation and amortization expense related to intangible assets and developed technology assets recorded due to the application of ASC 805, *Business Combinations*.

(c) 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. Additionally, the nine months ended September 30, 2021 includes incremental professional service fees incurred related to the IPO.

(d) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.

(e) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets.

(f) Effective tax rates of 26.4%, 25.7%, and 25.9% have been used to compute Adjusted Net Income for the 2019, 2020, and 2021 periods, respectively. As of December 31, 2020, we had net operating loss carryforwards of approximately $197.6 million, $166.2 million, and $36.0 million for federal, state and foreign income tax purposes, respectively, available to reduce future income subject to income taxes. As a result, the amount of actual cash taxes we pay for federal, state and foreign income taxes differs significantly from the effective income tax rate computed in accordance with GAAP, and from the normalized rate shown above.

Adjusted Diluted Earnings Per Share

We define Adjusted Diluted Earnings Per Share as Adjusted Net Income divided by adjusted weighted average number of shares outstanding—diluted.

Adjusted Diluted Earnings Per Share was $0.27 for the year ended December 31, 2019 (Predecessor), compared to $0.01 for the period from January 1, 2020 through January 31, 2020 (Predecessor) and $0.49 for the period from February 1, 2020 through December 31, 2020 (Successor). On a pro forma basis, Adjusted Diluted Earnings Per Share was $0.49 for the year ended December 31, 2020.

Adjusted Diluted Earnings Per Share was $0.30 and $0.01 for the period from February 1, 2020 through September 30, 2020 (Successor) and the period January 1, 2020 through January 31, 2020 (Predecessor), respectively, compared to $0.69 for the nine months ended September 30, 2021. On a pro forma basis, Adjusted Diluted Earnings Per Share was $0.32 and $0.66 for the nine months ended September 30, 2020 and the nine months ended September 30, 2021, respectively.

This growth was driven primarily by the same factors contributing to Adjusted Net Income growth.

The following tables present a reconciliation of Adjusted Diluted Earnings Per Share for the periods presented. For a discussion of pro forma adjustments, see "Unaudited Pro Forma Consolidated Financial Information."

	Predecessor	Successor					
	Period from January 1 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021	Pro Forma Adjustments for the Nine Months Ended September 30, 2020	Pro Forma Nine Months Ended September 30, 2020	Pro Forma Adjustments for the Nine Months Ended September 30, 2021	Pro Forma Nine Months Ended September 30, 2021
Diluted net (loss) income per share (GAAP)	$ (0.24)	$ (0.32)	$ 0.00	$ 0.13	$ (0.39)	$ 0.03	$ 0.03
Adjusted Net Income adjustments per share							
Income taxes	(0.01)	(0.09)	0.01	0.04	(0.04)	0.01	0.02
Debt-related costs[(a)]	0.07	0.02	0.14	(0.03)	0.06	(0.00)	0.13
Acquisition-related depreciation and amortization[(b)]	0.01	0.70	0.69	0.06	0.67	—	0.63
Share-based compensation	0.03	0.01	0.03	0.02	0.05	0.00	0.03
Transaction and acquisition related charges[(c)]	0.15	0.07	0.05	(0.15)	0.07	—	0.04
Integration and restructuring charges[(d)]	0.00	0.00	0.00	—	0.00	—	0.00
Other[(e)]	0.00	0.01	0.00	—	0.01	—	0.00
Adjusted income tax effect[(f)]	(0.00)	(0.10)	(0.24)	(0.02)	(0.11)	(0.01)	(0.23)
Adjusted Diluted Earnings Per Share (Non-GAAP)	$ 0.01	$ 0.30	$ 0.69	$ 0.05	$ 0.32	$ 0.03	$ 0.66
Weighted average number of shares outstanding used in computation of Adjusted Diluted Earnings Per Share:							
Weighted average number of shares outstanding—diluted (GAAP)	149,686,460	130,000,000	138,170,488	149,938,166	149,938,166	150,878,330	150,878,330
Options and restricted stock not included in weighted average number of shares outstanding—diluted (GAAP) (using treasury stock method)	—	—	—	—	—	—	—
Adjusted weighted average number of shares—diluted (Non-GAAP)	149,686,460	130,000,000	138,170,488	149,938,166	149,938,166	150,878,330	150,878,330

	Predecessor		Successor		
	Year Ended December 31, 2019	Period from January 1 through January 31, 2020	Period from February 1 through December 31, 2020	Pro Forma Adjustments for the Year Ended December 31, 2020,	Pro Forma Twelve Months Ended December 31, 2020
Diluted net income (loss) per share (GAAP)	$ 0.21	$ (0.24)	$ (0.37)	$ 0.14	$ (0.42)
Adjusted Net Income adjustments per share					
Income taxes	0.04	(0.01)	(0.09)	0.05	(0.03)
Debt-related costs[(a)]	0.02	0.07	0.02	(0.03)	0.06
Acquisition-related depreciation and amortization[(b)]	0.07	0.01	0.96	0.04	0.88
Share-based compensation	0.01	0.03	0.01	0.02	0.06
Transaction and acquisition related charges[(c)]	0.01	0.15	0.08	(0.15)	0.07
Integration and restructuring charges[(d)]	—	0.00	0.03	—	0.02
Other[(e)]	0.02	0.00	0.01	—	0.01
Adjusted income tax effect[(f)]	(0.10)	(0.00)	(0.17)	(0.02)	(0.17)
Adjusted Diluted Earnings Per Share (Non-GAAP)	$ 0.27	$ 0.01	$ 0.49	$ 0.06	$ 0.49
Weighted average number of shares outstanding used in computation of Adjusted Diluted Earnings Per Share:					
Weighted average number of shares outstanding—diluted (GAAP)	163,879,766	149,686,460	130,000,000	149,938,166	149,938,166
Options and restricted stock not included in weighted average number of shares outstanding—diluted (GAAP) (using treasury stock method)	—	—	—	—	—
Adjusted weighted average number of shares outstanding—diluted (Non-GAAP)	163,879,766	149,686,460	130,000,000	149,938,166	149,938,166

(a) Represents the loss on extinguishment of debt and non-cash interest expense related to the amortization of debt issuance costs for the financing for the Silver Lake Transaction.

(b) Represents the depreciation and amortization expense related to intangible assets and developed technology assets recorded due to the application of ASC 805, *Business Combinations*.

(c) 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. Additionally, the nine months ended September 30, 2021 includes incremental professional service fees incurred related to the IPO.

(d) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.

(e) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets.

(f) Effective tax rates of 26.4%, 25.7%, and 25.9% have been used to compute Adjusted Diluted Earnings Per Share for the 2019, 2020, and 2021 periods, respectively. As of December 31, 2020, we had net operating loss carryforwards of approximately $197.6 million, $166.2 million, and $36.0 million for federal, state and foreign income tax purposes, respectively, available to reduce future income subject to income taxes. As a result, the amount of actual cash taxes we pay for federal, state and foreign income taxes differs significantly from the effective income tax rate computed in accordance with GAAP, and from the normalized rate shown above.

Unaudited Quarterly Results of Operations

Quarterly Consolidated Statements of Operations Data

The following table presents our unaudited quarterly consolidated results of operations for the periods presented. This unaudited quarterly consolidated information has been prepared on the same basis as our audited consolidated financial statements, and, in the opinion of management, the unaudited quarterly consolidated information includes all adjustments, consisting of normal recurring adjustments, necessary for the fair presentation of the results of operations for these periods. You should read this table in conjunction with our consolidated financial statements and the related notes located elsewhere in this prospectus. The results of operations for any quarter are not necessarily indicative of the results of operations for any future periods.

	Predecessor					Successor						
	For the Quarters Ended				Period Ended	Period Ended	For the Quarters Ended					
	Mar. 31, 2019 Q1	Jun. 30, 2019 Q2	Sep. 30, 2019 Q3	Dec. 31, 2019 Q4	Jan. 31, 2020 Q1	Mar. 31, 2020 Q1	Jun. 30, 2020 Q2	Sep. 30, 2020 Q3	Dec. 31, 2020 Q4	Mar. 31, 2021 Q1	June 30, 2021 Q2	Sep. 30, 2021 Q3
(In thousands)												
Revenues	$ 109,687	$ 121,621	$ 123,769	$ 126,690	$ 36,785	$ 74,054	$ 104,993	$ 136,778	$ 156,544	$ 132,070	$ 174,826	$ 192,867
Operating expenses	92,566	95,888	97,252	103,894	36,794	78,535	111,195	131,489	153,190	135,239	$ 157,541	168,479
Income (loss) from operations	17,121	25,733	26,517	22,796	(9)	(4,481)	(6,202)	5,289	3,354	(3,169)	17,285	24,388
Other expense (income)	13,023	12,829	12,758	12,409	37,392	22,253	13,663	11,630	9,261	20,655	10,452	4,706
Income (loss) before provision for income taxes	4,098	12,904	13,759	10,387	(37,401)	(26,734)	(19,865)	(6,341)	(5,907)	(23,824)	6,833	19,682
Provision (benefit) for income taxes	902	2,184	2,172	1,640	(871)	(4,920)	(3,499)	(2,889)	(47)	(4,435)	3,063	3,397
Net income (loss)	$ 3,196	$ 10,720	$ 11,587	$ 8,747	$ (36,530)	$ (21,814)	$ (16,366)	$ (3,452)	$ (5,860)	$ (19,389)	$ 3,770	$ 16,285
Net cash provided by (used in) operating activities	$ 16,776	$ 17,144	$ 13,055	$ 24,608	$ (19,216)	$ 1,698	$ 21,711	$ 14,217	$ 35,225	$ 23,713	$ 32,385	$ 27,762

Seasonality

We experience seasonality with respect to certain customer industries as a result of 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 September through November months leading up to the holiday season and lowest at the beginning of the first quarter following the holiday season. Certain customers across various industries also historically ramp up their hiring throughout the first half of the year as winter concludes, commercial activity tied to outdoor activities increases, and the school year ends giving rise to student and graduate hiring. In addition, apartment rental activity and associated screening activity typically declines in the fourth quarter heading into the holiday season. We expect that further growth in e-commerce, the continued digital transformation of the economy, and other economic forces, including the COVID-19 pandemic, may impact seasonality but we are unable to predict these potential shifts and how our business may be impacted.

Quarterly Revenue Trends

Our quarterly revenues have increased over time on a year over year basis as a result of new customers, our strong retention rates, and expansion of services provided to existing customers. Although we did experience a decline in revenues in the second quarter of 2020 due to the COVID-19 pandemic, our business rebounded in the third quarter of 2020 and our revenue growth accelerated in the second half of 2020 and has continued into 2021.

Quarterly Operating Expense Trends

Other than depreciation and amortization, which is affected by the increases recorded as a result of applying purchase accounting at the time of the Silver Lake Transaction, our operating expenses are primarily influenced by the amount and mix of our revenues and had generally increased each quarter prior to the COVID-19 pandemic. In the first quarter of 2020, the Company began taking defensive cost-savings actions to protect the Company in the face of COVID-19 related uncertainty. In the third quarter of 2020, we had started to experience accelerating growth from our customer base and reversed certain COVID-19 driven cost-savings measures and began to accelerate our investments in our Product and Technology, Sales, and Customer Success teams to help further drive future revenue growth. Additionally, our general and administrative expenses increased in the nine months ended September 30, 2021 as we added specialized personnel and increased our professional services to support our growth and prepare to meet our obligations as a public company.

Quarterly Non-GAAP Financial Measures

	Predecessor					Successor						
	For the Quarters Ended				Period Ended	Period Ended	For the Quarters Ended					
	Mar. 31, 2019 Q1	Jun. 30, 2019 Q2	Sep. 30, 2019 Q3	Dec. 31, 2019 Q4	Jan. 31, 2020 Q1	Mar. 31, 2020 Q1	Jun. 30, 2020 Q2	Sep. 30, 2020 Q3	Dec. 31, 2020 Q4	Mar. 31, 2021 Q1	June 30, 2021 Q2	Sep. 30, 2021 Q3
(In thousands)												
Net income (loss)	$ 3,196	$10,720	$11,587	$ 8,747	$(36,530)	$(21,814)	$(16,366)	$ (3,452)	$ (5,860)	$(19,389)	$ 3,770	$16,285
Interest expense, net	13,023	12,829	12,757	12,410	4,489	12,830	13,663	11,630	9,261	6,717	10,452	4,706
Provision (benefit) for income taxes	902	2,184	2,172	1,640	(871)	(4,920)	(3,499)	(2,889)	(47)	(4,435)	3,063	3,397
Depreciation and amortization	6,268	6,545	6,552	6,588	2,105	24,487	36,572	36,756	37,242	34,763	35,918	35,812
Loss on extinguishment of debt	—	—	—	—	10,533	—	—	—	—	13,938	—	—
Share-based compensation	354	324	274	264	3,976	281	520	530	545	562	2,664	1,343
Transaction and acquisition-related charges[(a)]	—	—	349	849	22,840	9,446	76	56	568	3,984	382	2,144
Integration and restructuring charges[(b)]	—	—	—	—	327	—	262	26	3,125	448	73	63
Other[(c)]	1,349	760	(200)	1,330	153	(121)	427	630	(189)	2	—	194
Adjusted EBITDA	$25,092	$33,362	$33,491	$31,828	$ 7,022	$ 20,189	$ 31,655	$43,287	$44,645	$ 36,590	$56,322	$63,944

(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. Additionally, the nine months ended September 30, 2021 includes incremental professional service fees incurred related to the IPO.

(b) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.

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(c) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets.

	Predecessor					Successor						
	For the Quarters Ended				Period Ended	Period Ended	For the Quarters Ended					
	Mar. 31, 2019 Q1	Jun. 30, 2019 Q2	Sep. 30, 2019 Q3	Dec. 31, 2019 Q4	Jan. 31, 2020 Q1	Mar. 31, 2020 Q1	Jun. 30, 2020 Q2	Sep. 30, 2020 Q3	Dec. 31, 2020 Q4	Mar. 31, 2021 Q1	June 30, 2021 Q2	Sep. 30, 2021 Q3
(In thousands)												
Net income (loss)	$ 3,196	$10,720	$11,587	$ 8,747	$(36,530)	$(21,814)	$(16,366)	$ (3,452)	$ (5,860)	$(19,389)	$ 3,770	$16,285
Provision (benefit) for income taxes	902	2,184	2,172	1,640	(871)	(4,920)	(3,499)	(2,889)	(47)	(4,435)	3,063	3,397
Income (loss) before provision for income taxes	4,098	12,904	13,759	10,387	(37,401)	(26,734)	(19,865)	(6,341)	(5,907)	(23,824)	6,833	19,682
Adjustments:												
Debt-related costs[(a)]	768	785	802	819	11,102	578	877	889	898	14,911	4,355	437
Acquisition-related depreciation and amortization[(b)]	2,758	2,800	2,758	2,758	848	22,791	34,135	34,223	34,270	31,512	31,786	31,749
Share-based compensation	354	324	274	264	3,976	281	520	530	545	562	2,664	1,343
Transaction and acquisition related charges[(c)]	—	—	349	849	22,840	9,446	76	56	568	3,984	382	2,144
Integration and restructuring charges[(d)]	—	—	—	—	327	—	262	26	3,125	448	73	63
Other[(e)]	1,349	760	(200)	1,330	153	(121)	427	630	(189)	2	—	194
Adjusted net income before income tax effect	9,327	17,573	17,742	16,407	1,845	6,241	16,432	30,013	33,310	27,595	46,093	55,612
Less: Income tax effect[(f)]	2,462	4,639	4,684	4,332	474	1,604	4,223	7,713	8,561	7,092	12,896	13,443
Adjusted Net Income	$ 6,865	$12,934	$13,058	$12,075	$ 1,371	$ 4,637	$ 12,209	$22,300	$24,749	$ 20,503	$33,197	$42,169

(a) Represents the loss on extinguishment of debt and non-cash interest expense related to the amortization of debt issuance costs for the financing for the Silver Lake Transaction.

(b) Represents the depreciation and amortization expense related to intangible assets and developed technology assets recorded due to the application of ASC 805, *Business Combinations*.

(c) 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. Additionally, the nine months ended September 30, 2021 includes incremental professional service fees incurred related to the IPO.
(d) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.
(e) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets.
(f) Effective tax rates of 26.4%, 25.7%, 25.7%, 28.0%, and 24.2% have been used to compute Adjusted Net Income for the 2019 periods, the 2020 periods, the three months ended March 31, 2021, the three months ended June 30, 2021, and the three months ended September 30, 2021, respectively. As of December 31, 2020, we had net operating loss carryforwards of approximately $197.6 million, $166.2 million, and $36.0 million for federal, state, and foreign income tax purposes, respectively, available to reduce future income subject to income taxes. As a result, the amount of actual cash taxes we pay for federal, state, and foreign income taxes differs significantly from the effective income tax rate computed in accordance with GAAP, and from the normalized rate shown above.

Liquidity and Capital Resources

Liquidity

The Company's primary liquidity requirements are for working capital, continued investments in software development and other capital expenditures, and other strategic investments. Income taxes are currently not a significant use of funds but after the benefits of our net operating loss carryforwards are fully recognized, could become a material use of funds, depending on our future profitability and future tax rates. The Company's liquidity needs are met primarily through cash flows from operations, as well as funds available under our revolving credit facility and proceeds from our term loan borrowings. 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 September 30, 2021, we had $275.5 million in cash and cash equivalents and $100.0 million available under our revolving credit facility. As of September 30, 2021, we had $564.7 million of total debt outstanding. We believe our cash on hand, together with amounts available under our revolving credit facility, and cash provided by (used in) 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 beyond our control, including those described under "Risk Factors."

Long-Term Debt

On January 31, 2020, our previously outstanding indebtedness was repaid in full as part of the Silver Lake Transaction. As part of the Silver Lake Transaction, a new financing structure was established consisting of a new First Lien Credit Agreement ("Successor First Lien Agreement") and a new Second Lien Credit Agreement ("Successor Second Lien Agreement") (collectively, the "Successor Credit Agreements"). The Successor First Lien Agreement provided financing in the form of a $670.0 million term loan due January 31, 2027 ("Successor First Lien Credit Facility") and a $75.0 million new revolving credit facility due January 31, 2025 ("Successor Revolver"). The Successor Second Lien Agreement provided financing in the form of a $145.0 million term loan due January 31, 2028 ("Successor Second Lien Credit Facility").

On February 1, 2021, we amended the Successor First Lien Agreement to fund $100.0 million of additional first lien term loans and reduce the applicable margins by 0.25%. The refinancing resulted in a loss on extinguishment of debt of $5.1 million, composed of the write-off of $4.5 million of unamortized deferred financing costs and $0.6 million of accrued interest and miscellaneous fees. In addition, we fully repaid the outstanding Successor Second Lien Agreement and recorded a loss on extinguishment of debt of $8.9 million, composed of the write-off of $7.3 million of unamortized deferred financing costs plus a $1.5 million prepayment premium, and $0.1 million of accrued interest and other miscellaneous fees.

In connection with the IPO, the Company entered into an amendment to increase the borrowing capacity under the Successor Revolver from $75.0 million to $100.0 million and extend the maturity date from January 31, 2025 to July 31, 2026.

Borrowings under the Successor First Lien Agreement bear interest at a rate per annum equal to an applicable margin plus, at our option, either (a) a base rate or (b) LIBOR, which is subject to a floor of 0.00% per annum. The applicable margins under the Successor First Lien Agreement are subject to stepdowns based on our first lien net leverage ratio. In connection with the closing of the IPO, each applicable margin was reduced further by 0.25%. In addition, the borrower, First Advantage Holdings, LLC, which is an indirect wholly-owned subsidiary of the Company, 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 Successor First Lien Credit Facility amortizes in equal quarterly installments in aggregate annual amounts equal to 1.00% of the principal amount. The Successor Revolver has no amortization. The Successor First Lien Credit Facility 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 August 1, 2021 will be subject to a 1.00% prepayment premium. Otherwise, the borrower may voluntarily repay outstanding loans without premium or penalty, other than customary “breakage” costs.

In connection with the closing of the IPO on June 30, 2021, the Company repaid $200.0 million of the Successor First Lien Credit Facility outstanding, of which $44.3 million was applied to the remaining quarterly amortizing principal payments due under the Successor First Lien Agreement. The remaining $564.7 million term loan is scheduled to mature on January 31, 2027. As a result of the prepayment, the Company recorded additional interest expense of $3.7 million associated with the accelerated amortization of the related deferred financing costs.

The Successor First Lien 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 Successor First Lien 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 include more than 65% of the voting stock of such non-U.S. subsidiary).

The credit agreement contains customary affirmative covenants, negative covenants and events of default (including upon a change of control). The credit agreement also includes a “springing” first lien net leverage ratio test, applicable only to the revolving credit facility, that requires such ratio to be no greater than 7.75:1.00 on the last day of any fiscal quarter if more than 35.0% of the revolving credit facility is utilized on such date.

Cash Flow Analysis

Comparison of Cash Flows for the Nine Months Ended September 30, 2021 (Successor) compared to the Period from February 1, 2020 through September 30, 2020 (Successor) and for the Period from January 1, 2020 through January 31, 2020 (Predecessor)

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

	Predecessor	Successor	
(in thousands)	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through September 30, 2020	Nine Months Ended September 30, 2021
Net cash (used in) provided by operating activities	$ (19,216)	$ 37,626	$ 83,860
Net cash used in investing activities	(2,043)	(10,798)	(24,992)
Net cash (used in) provided by financing activities	(11,122)	50,356	64,372

Cash Flows from Operating Activities

For the nine months ended September 30, 2021 (Successor), for the period from February 1, 2020 through September 30, 2020 (Successor), and for the period from January 1, 2020 through January 31, 2020 (Predecessor), net cash provided by (used in) operating activities was $83.9 million, $37.6 million, and $(19.2) million, respectively. The cash flows from operating activities for the period from February 1, 2020 through September 30, 2020 (Successor) and for the period from January 1, 2020 through January 31, 2020 (Predecessor) are impacted by $9.4 million and $22.4 million of transaction expenses from the Silver Lake Transaction, respectively. The remaining increase in cash flows from operating activities was driven primarily by increased profitability related to the Company's revenue growth from existing customers, new customer go-lives and the U.K. Acquisition. This was offset in part by an increase in cash used for working capital primarily due to the high level of third quarter revenue growth acceleration that remained in receivables at September 30, 2021, consistent with normal payment terms offered to our customers.

Cash Flows from Investing Activities

For the nine months ended September 30, 2021 (Successor), for the period from February 1, 2020 through September 30, 2020 (Successor), and the period from January 1, 2020 through January 31, 2020 (Predecessor), net cash used in investing activities was $(25.0) million, $(10.8) million, and $(2.0) million, respectively. The cash flows used in investing activities for the nine months ended September 30, 2021 (Successor) were impacted by the $7.6 million U.K. Acquisition in March 2021. The remaining investing cash flows are driven primarily by capitalized software development costs and purchases of property and equipment, which increased in 2021 as we continue to make incremental investments in our technology platform.

Cash Flows from Financing Activities

For the nine months ended September 30, 2021 (Successor), for the period from February 1, 2020 through September 30, 2020 (Successor), and the period from January 1, 2020 through January 31, 2020 (Predecessor), net cash provided by (used in) financing activities was $64.4 million, $50.4 million, and $(11.1) million, respectively. Net cash provided by financing activities for the nine months ended September 30, 2021 (Successor) was primarily driven by the Company's completion of its IPO on June 25, 2021. Cash inflows related to the IPO were $320.6 million, partially offset by the use of proceeds which consisted of a $200.0 million repayment of the Company's Successor First Lien Credit Facility and $3.9 million of offering cost payments.

Net cash provided by financing activities for the nine months ended September 30, 2021 (Successor) was incrementally driven by the Company's February 2021 debt refinancing which consisted of a refinancing of the Successor First Lien Credit Facility and the full repayment of the Successor Second Lien Credit Facility. Cash outflows related to this refinancing were $308.5 million, partially offset by cash inflows of $261.4 million. As part of the refinancing, the Company paid $1.3 million related to new debt issuance costs. The remaining outflows primarily consisted of amortizing principal payments due under the first lien term loan facility.

Net cash provided by financing activities for the period from February 1, 2020 through September 30, 2020 (Successor) was driven by a $50.0 million strategic investment in the Company's equity by Workday, Inc. and $9.4 million of capital contributions related to the transaction expenses from the Silver Lake Transaction. In March 2020, we made a $25.0 million precautionary draw on our revolving credit facility in light of the COVID-19 pandemic, which we fully repaid in June 2020. These inflows were primarily offset by debt issuance costs paid, principal payments on the Successor First Lien Facility, and distributions to Predecessor's members and optionholders in connection with the Silver Lake Transaction.

Net cash used in financing activities for the period from January 1, 2020 through January 31, 2020 (Predecessor) were driven by a $34.0 million repayment of our previous credit facility in place at the time of the Silver Lake Transaction and distributions of $18.0 million to Predecessor's members and optionholders in connection with the Silver Lake Transaction. These were partially offset by additional capital contributions of $41.1 million related to payment and settlement of existing options issued by Predecessor and transaction expenses from the Silver Lake Transaction.

Comparison of Cash Flows for the Period from February 1, 2020 through December 31, 2020 (Successor) and for the Period from January 1, 2020 through January 31, 2020 (Predecessor) compared to the Year Ended December 31, 2019 (Predecessor)

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

	Predecessor		Successor
(in thousands)	For the Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020
Net cash provided (used in) by operating activities	$ 71,583	$ (19,216)	$ 72,851
Net cash used in investing activities	(17,789)	(2,043)	(15,569)
Net cash (used in) provided by financing activities	(3,176)	(11,122)	46,404

Cash Flows from Operating Activities

For the period from February 1, 2020 through December 31, 2020 (Successor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the year ended December 31, 2019 (Predecessor), net cash provided by (used in) operating activities was $72.9 million, $(19.2) million, and $71.6 million, respectively. The cash flows from operating activities for period from February 1, 2020 through December 31, 2020 (Successor) and the period from January 1, 2020 through January 31, 2020 (Predecessor) are impacted by $9.4 million and $22.4 million of transaction expenses from the Silver Lake Transaction, respectively. The remaining cash flows from operating activities were driven primarily by revenue growth from existing customers and new customer go-lives. This was offset in part by an increase in cash used for working capital primarily due to fourth quarter revenue growth acceleration that remained in receivables at year end, consistent with normal payment terms offered to our customers.

Cash Flows from Investing Activities

For the period from February 1, 2020 through December 31, 2020 (Successor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the year ended December 31, 2019 (Predecessor), net cash used in investing activities was $15.6 million, $2.0 million, and $17.8 million, respectively. Investing cash flows are driven primarily by capitalized software development costs and purchases of property and equipment.

Cash Flows from Financing Activities

For the period from February 1, 2020 through December 31, 2020 (Successor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the year ended December 31, 2019 (Predecessor), net cash provided by (used in) financing activities was $46.4 million, $(11.1) million, and $(3.2) million, respectively. Net cash provided by financing activities for the period from February 1, 2020 through December 31, 2020 (Successor) was driven by a $50.0 million strategic investment in the Company's equity by Workday, Inc., a leading provider of enterprise cloud applications for finance and human resources, and $9.4 million of capital contributions related to the transaction expenses from the Silver Lake Transaction. These were partially offset by distributions of $5.8 million to Predecessor's members and optionholders in connection with the Silver Lake Transaction, $3.4 million of repayments of our current first lien term loan facility, and $2.4 million of payments on capital lease obligations. In March 2020, we made a $25.0 million precautionary draw on our revolving credit facility in light of the COVID-19 pandemic, which we fully repaid in June 2020. Net cash used in financing activities for the period from January 1, 2020 through January 31, 2020 (Predecessor) were driven by a $34.0 million repayment of our previous credit facility in place at the time of the Silver Lake Transaction and distributions of $18.0 million to Predecessor's members and optionholders in connection with the Silver Lake Transaction. These were partially offset by additional capital contributions of $41.1 million related to payment and settlement of existing options issued by Predecessor and transaction expenses from the Silver Lake Transaction. Net cash used in financing activities in 2019 (Predecessor) relate primarily to payments on capital lease obligations.

Contractual Obligations and Commitments

The following table provides a summary of our outstanding commitments and contractual obligations as of December 31, 2020 that require us to make future cash payments:

(in thousands)	2021	2022	2023	2024	2025	Thereafter	Total
Debt principal[1]	$ 6,700	$ 6,700	$ 6,700	$ 6,700	$ 6,700	$ 778,150	$ 811,650
Interest payments[1]	38,095	37,528	37,254	36,170	35,757	50,994	235,798
Operating leases	5,666	3,620	2,010	1,725	519	476	14,016
Capital leases[2]	1,777	916	106	—	—	—	2,799
Purchase obligations[3]	—	—	—	—	—	—	—
Total contractual cash obligations[4]	$ 52,238	$ 48,764	$ 46,070	$ 44,595	$ 42,976	$ 829,620	$ 1,064,263

(1) Debt principal consists of short-term and long-term debt obligations, and excludes debt discounts and deferred financing costs. The estimated interest payments are based on rates on individual debt and our interest rate collar agreements outstanding at December 31, 2020. Actual interest rates on our variable rate debt and interest rate collars and the actual amount of our variable indebtedness could vary from the amounts used to compute the amounts shown here.

As discussed in Note 17 to the consolidated financial statements included elsewhere in this prospectus, we repriced and borrowed an additional $100 million on our first lien term loan facility in February 2021. At the same time, we fully repaid our second lien term loan facility. In connection with the closing of the IPO, on June 30, 2021 the Company repaid $200.0 million of the Successor First Lien Credit Facility outstanding, of which $44.3 million was applied to the remaining quarterly amortizing principal payments due under the

Successor First Lien Agreement. The amounts below reflect the obligations due as of September 30, 2021. The estimated interest payments are based on the interest rate outstanding at September 30, 2021. Actual interest rates on our variable rate debt and the actual amount of our variable indebtedness could vary from the amounts used to compute the amounts shown below.

(in thousands)	2021	2022	2023	2024	2025	Thereafter	Total
Debt principal	$ —	$ —	$ —	$ —	$ —	$ 564,724	$ 564,724
Interest payments	17,864	17,502	17,469	16,575	16,342	17,730	103,482
Total	$ 17,864	$ 17,502	$ 17,469	$ 16,575	$ 16,342	$ 582,454	$ 668,206

(2) Capital leases reflect the principal amount of capital lease obligations, including related interest.

(3) We had no material purchase obligations as of December 31, 2020. In February 2021, we entered into a one-year contract with a third-party service provider which contains a minimum volume commitment. The Company expects to exceed the stipulated minimum volume of purchases in the ordinary course of business.

(4) Total contractual cash obligations in the table above exclude income taxes as we are unable to make a reasonably reliable estimate of the timing for the remaining payments in future years. As of December 31, 2020, we had unrecognized tax benefits of $1.3 million, including $0.5 million of accrued interest. Accrued penalties related to the unrecognized tax benefits were not material. Payments or receipts from tax authorities are not expected to have a significant impact on liquidity in the next year. See Note 9 to the consolidated financial statements included elsewhere in this prospectus for further information.

The table above does not include the liability of $8.1 million relating to legal proceedings in which the Company believes a loss is both probable and estimable, including $6.3 million relating to two separate class actions subject to a settlement agreement pending court approval. See Note 13 of the consolidated financial statements included in this prospectus.

As of September 30, 2021, the Company had no standby letters of credit or other contingently available credit.

Off Balance Sheet Arrangements

There were no material off-balance sheet arrangements as of September 30, 2021.

Critical Accounting Policies and Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to use judgment in making estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. The following accounting policies are based on, among other things, judgments and assumptions made by management that include inherent risks and uncertainties. Management's estimates are based on historical experience, the relevant information available at the end of each period, and their judgment. Although management believes the judgment applied in preparing estimates is reasonable based on circumstances and information known at the time, actual results could differ materially from these estimates under different assumptions or market conditions.

The most significant accounting estimates involve a high degree of judgment or complexity. Management believes the estimates and judgments most critical to the preparation of our consolidated financial statements and to the understanding of our reported financial results are described below.

Revenue Recognition

The Company's primary source of revenues is derived from pre-onboarding and related products to our customers on a transactional basis, in which a background screening package or selection of products is ordered by a customer related to a single applicant. Substantially all of the Company's customers are large, medium, or small businesses. The Company satisfies its performance obligations and recognizes revenues for its products as the orders are completed and the completed results or reports are transmitted, or otherwise made available. The Company's remaining products, substantially consisting of ongoing monitoring, tax credits processing, fleet / vehicle compliance and driver qualification services, are delivered over time as the customer receives and consumes the benefits of the products and solutions delivered. To measure the Company's performance 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 records third-party pass-through fees incurred as part of screening related products on a gross revenue basis, with the related expense recorded as a third-party records expense, as the Company has control over the transaction and is therefore considered to be acting as a principal. The Company records motor vehicle registration and other tax payments paid on behalf of the Company's fleet management customers on a net revenue basis as the Company does not have control over the transaction and therefore is considered to be acting as an agent of the customer.

Business Combinations

We record 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. Measurement period adjustments from changes in the estimated fair values of net assets recorded for acquisitions before the completion of a final detailed analysis are recorded in the period in which they occur.

Share-Based Compensation

We have granted our employees and directors share-based incentive awards. These awards are in the form of options and profits interests for Predecessor and options, profits interests, and stock appreciation rights for Successor. We measure share-based compensation expense for all share-based awards granted based on the estimated fair value of those awards on their grant date expensed over the period during which an employee is required to provide service in exchange for the award (the vesting period) or meet certain performance obligations.

Immediately prior to the consummation of the IPO, all share-based awards that were issued by a parent of the Company were exchanged into awards issued directly by the Company, based on the terms of the grant agreements. This exchange used an exchange formula that preserved the fair market value of each award. Each exchanged award is subject to the same vesting conditions, and all other material terms will remain the same. As a result, the Company did not recognize these exchanges as modifications under ASC 718 and therefore did not incur significant share-based compensation expense related to the IPO.

Substantially all of the Company's share-based awards contain a performance-based vesting component that is triggered upon certain realization events, including Silver Lake's sale of its interests in the Company or distribution of its interests in the Company to its partners. As a result of this offering and the SLP Distribution, the Company expects to incur approximately $3.5 million of share-based compensation expense related to the performance vesting of its share-based awards, assuming an offering price of $21.05 per share for the Follow-On Offering, based on the closing sales price of our common stock as reported on Nasdaq on November 5, 2021. For purposes of the SLP Distribution, performance-based vesting is based on $20.15, the average daily closing price of our common stock as reported on Nasdaq for the ten trading day period ended November 5, 2021.

Pre-IPO Valuation of Equity

We granted employees share-based compensation awards at exercise prices equal to the fair value of the underlying equity at the time of grant, as determined by our board of directors on a contemporaneous basis. To determine the fair value of our equity, our board of directors considered many factors, including:

- our current and historical operating performance;
- our expected future operating performance;
- our financial condition at the grant date;
- the liquidation rights and preferences of our equity;
- any recent privately negotiated sales of our securities to independent third parties;
- input from management;
- the amount of debt on our balance sheet;
- the business risks inherent in our business and industry generally; and
- the market performance of comparable public companies.

We engaged an independent valuation firm to perform certain valuation consulting services to provide an estimate of fair market value of our equity on an annual basis. The valuations were prepared using a weighted combination of income approach and market approach valuation methodologies. To derive a business enterprise value, our valuation methodologies utilize a discounted cash flow method using our forecasted operating results and a market comparable method and market transaction method based on comparable companies and market observations. Adjustments for the amount of debt and cash on our balance sheet and the liquidity preference of our equity and outstanding share awards were made to determine the valuation of our equity on a per share basis. Our board of directors used the fair value per share to grant awards during the subsequent period.

The analysis performed by the independent valuation firm is based upon data and assumptions provided to it by us and received from third-party sources, which the independent valuation firm relied upon as being accurate without independent verification. The results of the analyses performed by the independent valuation firm are among the factors our board of directors took into consideration in making its determination with respect to fair value of our equity, but are not determinative. Our board of directors is solely and ultimately responsible for determining the fair value of our equity in good faith.

The dates of our valuation reports, which were prepared on a periodic basis, were not contemporaneous with the grant dates of our share-based compensation awards. Therefore, we considered the amount of time between the valuation report date and the grant date to determine whether to use the latest valuation report for the purposes of determining the fair value of our common stock for financial reporting purposes. We assessed the fair value of such equity-based awards used for financial reporting purposes after considering the fair value reflected in the most recent valuation report and various updated assumptions based on facts and circumstances on the date of grant. The additional factors considered when determining any changes in fair value between the most recent valuation report and the grant dates included, when available, the prices paid in recent transactions involving our securities, as well as our operating and financial performance, changes in volatility and other key valuation assumptions, current industry conditions, and the market performance of comparable publicly traded companies. There were significant judgments and estimates inherent in these valuations, which included assumptions regarding our future operating performance and the time to complete an initial public offering or other liquidity event.

Long-Lived Assets

We review long-lived assets held and used by us—including property and equipment primarily consisting of capitalized internal use software, and definite-lived intangible assets—for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset or asset group may not be fully recoverable. If an impairment is determined to exist, we calculate any related impairment loss based on the difference between the fair value and carrying values of the respective assets or asset groups.

Internal use software development costs are capitalized during the application development stage of initial development or during development of new features and enhancements. The Company amortizes these costs using the straight-line method over the estimated useful life of the software, generally three years. Software costs not meeting the criteria for capitalization are expensed as incurred.

Goodwill

We assess goodwill for impairment annually or more frequently if events or changes in business circumstances indicate that it is more likely than not that the carrying value of a reporting unit exceeds its fair value. In performing these assessments, management relies on various factors, including operating results, business plans, economic projections, anticipated future cash flows and other market data. There are inherent uncertainties related to these factors and judgment is required in applying them to the goodwill impairment test. Our annual goodwill impairment test is performed on the last day of the year. We perform additional tests throughout the year when required.

For quantitative goodwill impairment tests, the fair value for each reporting unit is determined using a discounted cash flow method. Key assumptions for computing fair value include discount rate, long term growth rate, foreign currency exchange rate, and cash flow projections for each reporting unit. No goodwill impairment was recognized for 2020. See Note 2 to the consolidated financial statements included elsewhere in this prospectus for more information on our goodwill impairment testing.

Income Taxes

In determining taxable income for our consolidated financial statements, we must make certain estimates and judgments. These estimates and judgments affect the calculation of certain tax liabilities and the determination of the recoverability of certain of the deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenues and expenses.

In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence including our past operating results, the existence of cumulative losses in the most recent years and our forecast of future taxable income. In estimating future taxable income, we develop assumptions including the amount of future pre-tax operating income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage our underlying businesses.

ASC 740 requires a valuation allowance to reduce the deferred income tax assets recorded if, based on the weight of the evidence, it is more likely than not, that some or all of the deferred income tax assets will not be realized. The Company evaluates all of the positive and negative evidence annually to determine the need for a valuation allowance. After consideration of all of the evidence, the Company has determined that a valuation allowance of $61.3 million and $4.6 million is necessary at December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively.

Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future. We record the effect of a tax rate or law change on our deferred tax assets and liabilities in the period of enactment. Future tax rate or law changes could have a material effect on our results of operations, financial condition, or cash flows.

In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations in the United States and elsewhere. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on estimates of whether, and the extent to which, additional taxes will be due in accordance with the authoritative guidance regarding the accounting for uncertain tax positions. These tax liabilities are reflected net of related tax loss carryforwards. We adjust these reserves in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. If our estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in tax benefits being recognized in the period when we determine the liabilities are no longer necessary. The Company classifies interest and penalties associated with its unrecognized tax benefits as a component of income tax expense (see Note 9 to the consolidated financial statements included elsewhere in this prospectus).

Quantitative and Qualitative Disclosures About Market Risk

As a global company, we are exposed to a variety of market risks, including the effects of changes in interest rates and foreign currency exchange rates. We monitor and manage these financial exposures as an integral part of our overall risk management program. We use derivative financial instruments for hedging purposes only. We do not use derivatives for speculation purposes.

Interest Rate Risk

We had cash and cash equivalents of $152.8 million and $275.5 million as of December 31, 2020 (Successor) and September 30, 2021 (Successor), respectively. We also had short-term investments of $1.3 million and $1.0 million at December 31, 2020 (Successor) and September 30, 2021 (Successor), respectively. Our cash and cash equivalents consist primarily of bank demand deposits. Our short-term investments consist of fixed time deposits having a maturity date within twelve months. We hold cash, cash equivalents, and short-term investments for working capital purposes. We do not enter into investments for trading or speculative purposes.

We do not have material exposure to market risk with respect to our cash, cash equivalents, or short-term investments as these consist primarily of highly liquid investments purchased with original maturities of twelve months or less at December 31, 2020 and September 30, 2021.

Our debt includes variable-rate debt and a revolving credit facility that bear interest based on LIBOR. As a result, we are exposed to fluctuations in interest rates on our long-term debt. The carrying value of our long-term debt, excluding capital lease and other long-term obligations, was $554.4 million as of September 30, 2021. The fair value of our long-term debt, excluding capital lease and other long-term obligations, was approximately the same as its carrying value of $554.4 million as of September 30, 2021. As of September 30, 2021, a hypothetical 100 basis point increase or decrease in interest rates would change the fair value of our debt by approximately $0.0 million. As of September 30, 2021, the exposure associated with our variable-rate borrowings to a hypothetical 100 basis point increase or decrease in interest rates would not be material to earnings, fair values, or cash flows. See Note 7 to the consolidated financial statements included elsewhere in this prospectus for more information on our debt offerings and any outstanding debt.

To help manage borrowing costs, we may from time to time enter into interest rate derivative transactions with financial institutions acting as principal counterparties. As of September 30, 2021, we had one interest rate collar agreement with a counterparty bank entered into during February 2020. In the agreement, we and the counterparty bank agreed to a one-month LIBOR floor of 0.48% and cap of 1.50% on a portion of our term loan facility. The notional amount of this agreement is $405.0 million through February 2022 and will be reduced to $300.0 million from March 2022 through February 2024. Refer to Note 8 to the consolidated financial statements included elsewhere in this prospectus for more information about our interest rate collar agreement.

Foreign Currency Risk

We have exposure to the effects of foreign currency exchange rate fluctuations due to our global operations. The functional currency of all of the Company's foreign subsidiaries is the applicable local currency. Principal foreign currency exposures relate primarily to the Indian Rupee and to a lesser extent the British Pound Sterling, Hong Kong Dollar, Australian Dollar, and Chinese Renminbi.

Balance sheet adjustments resulting from the translation of foreign currency-denominated subsidiary financial statements are accumulated in a separate component of equity. Gains or losses resulting from foreign currency transactions are included in the Company's consolidated statements of operations and comprehensive (loss) income, except for gains or losses relating to intercompany transactions of a long-term investment nature, which are presented in a separate component of members' (deficit) equity as accumulated other comprehensive loss.

We historically have not hedged our investments in foreign subsidiaries or our exposure to transaction gains or losses resulting from fluctuations in foreign currency exchange rates. Currency translation (loss) income included in accumulated other comprehensive (loss) income were approximately ($0.3) million, ($0.0) million, $(1.2) million, $2.5 million and $(1.6) million for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), the period from February 1, 2020 through September 30, 2020 (Successor), the period from February 1, 2020 through December 31, 2020 (Successor), and for the nine months ended September 30, 2021 (Successor), respectively.

Emerging Growth Company

We are an emerging growth company, as defined in the Jumpstart our Business Startups Act, or JOBS Act. The JOBS Act allows emerging growth companies to delay the adoption of new or revised accounting standards until such time as those standards apply to private companies. We have elected to utilize these transition periods, which may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the transition periods afforded under the JOBS Act.

Recent Accounting Pronouncements

See Note 2 of the consolidated financial statements included in this prospectus for information about recent accounting pronouncements.

Internal Controls and Procedures

As a public company, we are required to comply with the SEC's rules implementing Section 302 of the Sarbanes Oxley Act, which require our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. Though we are required to disclose material changes made to our internal controls and procedures on a quarterly basis, we are not required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until the year following our first annual report required to be filed with the SEC. We will not be required to have our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting until our first annual report subsequent to our ceasing to be an "emerging growth company" within the meaning of Section 2(a)(19) of the Securities Act.

BUSINESS

Our Company

First Advantage is a leading global provider of technology solutions for screening, verifications, safety, and compliance related to human capital. We deliver innovative solutions and insights that help our customers manage risk and hire the best talent. Enabled by our proprietary technology platform, our products and solutions help companies protect their brands and provide safer environments for their customers and their most important resources: employees, contractors, contingent workers, tenants, and drivers.

We manage one of the earliest and most important interactions between an applicant and our customer. Indeed, most applicants view their screening experience as a reflection of the hiring organization and its overall onboarding process. Our comprehensive product suite includes Criminal Background Checks, Drug / Health Screening, Extended Workforce Screening, Biometrics & Identity, Education / Work Verifications, Resident Screening, Fleet / Driver Compliance, Executive Screening, Data Analytics, Continuous Monitoring, Social Media Monitoring, and Hiring Tax Incentives. We derive a substantial majority of our revenues from pre-onboarding screening and perform screening in over 200 countries and territories, enabling us to serve as a one-stop-shop provider to both multinational companies and growth companies. In 2020, we performed over 75 million screens on behalf of more than 30,000 customers spanning the globe and all major industry verticals. We often have multiple constituents within our customers, including Executive Management, Human Resources, Talent Acquisition, Compliance, Risk, Legal, Safety, and Vendor Management, who rely on our products and solutions.

Our long-standing, blue-chip customer relationships include five of the U.S.’s top ten private sector employers, 55% of the Fortune 100, and approximately one-third of the Fortune 500. We have successfully gained market share by focusing on fast-growing industries and companies, increasing our share with existing customers, upselling and cross-selling new products and solutions, and winning new customers.

Our verticalized go-to-market strategy delivers highly relevant solutions for various industry sectors. This approach enables us to build a diversified customer portfolio and effectively serve many of the largest, most sophisticated, and fastest-growing companies in the world. We have built a powerful and efficient customer-centric sales model fueled by frequent engagement with our customers and deep subject matter expertise in industry-specific compliance and regulatory requirements, which allows us to create tailored solutions and drive consistent upsell and cross-sell opportunities. Our sales engine is powered by over 100 dedicated Sales and Solutions Engineering professionals working alongside over 200 dedicated Customer Success team members who have successfully maintained high customer satisfaction, retention, and growth, as evidenced by our industry-leading NPS, average 12-year tenure of our top 100 customers, and gross retention rate of approximately 95%, before factoring in growth or decline from existing or new customers. Our go-to-market strategy continues to drive particular strength with Enterprise customers in sectors with attractive secular trends such as e-commerce, essential retail, transportation and home delivery, warehousing, healthcare, technology, and staffing.

We have designed our technology platform to be highly configurable, scalable, and extensible. Our platform is embedded in our customers’ core enterprise workflows and interfaces with more than 70 third-party HCM software platforms, including ATS, providing us with real-time visibility and input into our customers’ human resources processes. We leverage our proprietary databases – which include more than 600 million criminal and work history observations as of September 30, 2021 – and an extensive and highly curated network of more than 600 automated and/or integrated third-party data providers. These data providers include federal, state, and local government entities; court runners; drug and health testing labs and collection sites; credit bureaus; and education and work history verification providers. Our platform efficiently and intelligently integrates data from these proprietary internal databases as well as external data sources using automation, APIs, and machine learning. Our investments in RPA, including more than 2,750 bots currently deployed, enable our rapid turnaround times. For example, in 2020 alone, our technology innovations drove a 10% improvement in average turnaround time for our criminal searches in the United States. Our platform prioritizes data privacy and compliance and is powered by a rigorous, automated compliance rules engine. This enables us to address each customer's unique requirements in an efficient and automated manner while also ensuring compliance with complex data usage guidelines and regulatory requirements across global jurisdictions, industry-specific regulatory frameworks, and use cases.

Our focus on innovative products and technologies has been critical to our growth. Using agile software development methodologies, we have consistently enhanced existing products and been early to market with new and innovative products, including offerings for biometrics and identity, continuous criminal monitoring, driver onboarding, extended workforce screening, instant oral drug testing, and virtual drug testing. In addition, we continue to expand our proprietary databases that extend our competitive advantage, enhance turnaround times for customers, and offer potential future monetization upside opportunities. Our proprietary databases consist of hundreds of millions of criminal, education, and work history records. These strategic assets amassed and curated over the course of many years improve screening turnaround times and significantly reduce costs by using our internal data sources before accessing third-party data sources.

We have a strong track record of increasing market share, growing revenues, and expanding profit margins in recent years:

- Our large, Enterprise customers have increased from 122 companies at the beginning of 2018 to 141 at the end of 2020.
- From 2018 to 2020 and despite the impact of COVID-19 on the macroeconomic environment, our revenues grew at a CAGR of 7%, all of which was organic growth from new customer wins or growth within our existing customer base. Our gross retention rate averaged approximately 95% over those three years.
- We generated net income of $34 million for the year ended December 31, 2019, and a net loss of $(62) million for the year ended December 31, 2020, on a pro forma basis. We generated a net loss of $(59) million for the nine months ended September 30, 2020 and net income of $5 million for the nine months ended September 30, 2021, in each case, on a pro forma basis.
- Our Adjusted EBITDA was $124 million for the year ended December 31, 2019. Our Adjusted EBITDA for the year ended December 31, 2020, on a pro forma basis, was $147 million. Our Adjusted EBITDA was $102 million for the nine months ended September 30, 2020, and $157 million for the nine months ended September 30, 2021, in each case, on a pro forma basis.
- Driven by scale, automation, and operational discipline, our Adjusted EBITDA Margins expanded, resulting in an Adjusted EBITDA CAGR 21% from 2018 to 2020, on a pro forma basis.

For more information about how we calculate Adjusted EBITDA, please see footnote (1) in "–Summary Historical and Pro Forma Consolidated Financial and Other Data–Adjusted EBITDA."

Our Market Opportunity

The importance of human capital and its associated risks to brand, reputation, safety, and compliance are ever-increasing in today's interconnected, fast-paced world. Along with broader ESG considerations, these issues increasingly have become priorities at the highest executive and oversight levels of our customers worldwide. Key constituents, including C-Suite executives, boards of directors, external auditors, business owners, property managers, educators, volunteer organizations, and franchisors all face a heightened level of public scrutiny and accountability. Significant technological and societal trends include fraud and cyber-attacks; sexual harassment and workplace violence; and the prevalence of social media impacting companies' brands. These have driven a significant increase in the need for screening, verifications, and ongoing monitoring. Our products and solutions have become critical tools that companies depend on to provide safe environments for their customers and workers, maintain regulatory compliance, and protect their property, reputation, and brands.

According to Stax, the global TAM for our current products and solutions is approximately $13 billion. This includes $6 billion of current market spend and $7 billion of whitespace attributable to products and solutions that may ultimately be adopted across geographies. The estimated TAM includes a $5 billion market opportunity for U.S. pre-onboarding screening; a $4 billion market for U.S. post-onboarding monitoring, resident screening, hiring tax credits, and fleet / vehicle solutions; and a $4 billion market for international pre-onboarding screening and post-onboarding monitoring. In addition, according to Stax, current market spend will grow at a long-term CAGR of 6%, fueled by increases in hiring and job churn, growing attachment rates for existing products, accelerating adoption of post-onboarding and adjacent products in the U.S., and growing overall adoption in underpenetrated international markets. Our market is also fragmented, with the top three background screening providers constituting only one-third of the market according to Stax, providing ample opportunities for us to continue to increase market share.

We believe several key trends are generating significant growth opportunities in our markets and increasing demand for our products and solutions:

- ***Increased Workforce Mobility and Job Turnover:*** Millennials represented over one-third of the U.S. workforce in 2020 and are three times as likely to change jobs as other generations in pursuit of earning higher wages, faster career development, and better workplace culture fit. In addition, as the economy evolves and resource needs differ significantly by sector, geography, and skill set, this is driving dynamism in the hiring environment.
- ***Increasing Use of Contingent and Flexible Workforces:*** Approximately 25-30% of the U.S. workforce are contingent workers, including freelancers, independent contractors, consultants, or other outsourced and non-permanent workers, and a majority of large corporations plan to substantially increase their use of a flexible workforce. When independent contractors, external consultants, and temporary workers have access to sensitive information, company facilities, or directly interact with customers, it is important for companies to screen such flexible workforce personnel diligently.
- ***C-Suite Focus on Safety and Reputational Risks:*** Screening, verifications, and compliance are mission-critical and are becoming boardroom priorities for many companies due to the brand risks and potential legal liability of hiring high-risk workers. A number of high-profile human capital-related issues have led to significant brand damage, diversion of management attention, litigation, and negative news and social media coverage for enterprises in recent years. These events reinforced the importance of our products and solutions. According to the Occupational Safety and Health Administration, approximately two million American workers are victims of workplace violence each year. Companies are increasingly expanding human resources and compliance budgets on products and solutions that help manage their potential risks and improve safety. By enhancing workplace safety, we address important social factors affecting our customers.
- ***Heightened Regulatory and Compliance Scrutiny:*** Businesses today are under intense scrutiny to comply with an ever-expanding and evolving set of global regulatory requirements that can vary by geography, industry vertical, and use case. Examples include the FCPA, the U.K. Bribery Act, FCRA, CCPA, GDPR, U.K. GDPR, and IBIPA, in addition to other anti-corruption requirements with respect to anti-money laundering and politically exposed persons. These requirements are driving many companies to perform more extensive and exhaustive checks and to partner with screening providers that have the scale, scope, heightened compliance standards, and auditability that they require. Our products and solutions help strengthen companies' corporate governance through bolstering their compliance and risk management practices.
- ***Growth in Post-Onboarding Monitoring:*** Companies are increasingly expanding their screening programs beyond a "one-and-done" pre-onboarding measure, which has historically been the norm in markets like the U.S. and U.K. We have invested in and continue to innovate our post-onboarding products and solutions and believe we are well-positioned to capture share in this growing market.
- ***Development of International Markets:*** Background screening penetration remains low in most international geographies, with a large portion of screens conducted by unsophisticated, local providers. Multinational companies are increasingly focused on systematizing and elevating their human resources

policies, screening procedures, and providers globally, driving greater demand and a shift towards high-quality, compliant, and global screening providers. In addition, many non-U.S.-based companies are initiating screening programs for the first time and are seeking reliable, compliant, and high quality providers.

- ***Investment in Enterprise Software:*** Companies are increasingly investing in enterprise software to manage their businesses, including next-generation software-as-a-service solutions for HCM. As companies implement these systems, we believe there will be an increase in demand for screening, verification, and compliance solutions that can interface with these systems in an automated fashion to provide a seamless applicant and user experience and insights based on data analytics.
- ***Proliferation of Relevant Data Sources:*** U.S. government agencies, third-party vendors, and professional organizations are increasingly tracking and improving the quality and digitization of data in areas such as criminal, education, income history, healthcare credentials, and MVRs. In many other countries with limited quality and availability of reliable data, the collection, and organization of higher quality datasets has been increasing. This increasing availability of data is driving customers to rely on large-scale, sophisticated providers that can efficiently access and create insights from data sourced, aggregated, and integrated from myriad disparate sources.
- ***Advances in Analytics to Increase Value of Data:*** The increasing accessibility of robust datasets supplemented by machine learning technologies is driving heightened focus on integrating screening insights and dashboards with human resources, compliance, and security workflows. Customers often lack internal resources to develop such analytical and visualization tools, increasing demand for providers that offer these cutting-edge integrated data analytics capabilities.

Our Competitive Strengths

We believe the following competitive strengths have been instrumental in our success and position us for future growth:

- ***Market Leadership Built on Outstanding Customer Experience.*** We believe our relentless customer focus, comprehensive end-to-end product suite, advanced technology platform, proprietary databases, and intuitive consumer feel of our applications allow us to provide a differentiated value proposition and have been instrumental in establishing our market leadership. The strength of our value proposition and customer relationships are evidenced by our approximately 95% average gross retention rate from 2018 to 2020, our industry-leading NPS, and the average 12-year tenure of our top 100 customers.
- ***Verticalized Go-to-Market Engine and Products.*** Our Sales and Customer Success teams are organized by industry vertical with extensive subject-matter expertise. A deep understanding of industry-specific issues enables our Sales and Customer Success teams to upsell and cross-sell relevant products and drives rapid development of value-added, industry-specific solutions. Customer Advisory Boards, standardized customer reviews, product showcases, and continuous feedback loops across Sales, Customer Success, Product, and other functional areas, enable us to identify quickly, develop, and launch new products and solutions. We have intentionally designed our technology platform to be highly flexible, allowing our customers to configure our solutions to meet their unique requirements. For example, our home delivery companies can draw upon a tailored suite of products, including motor vehicle records monitoring, DOT compliance checks, and fleet management products. We have deliberately built competencies around industry verticals that we believe are well-positioned for long-term growth, including e-commerce, essential retail, transportation and home delivery, warehousing, healthcare, technology, and staffing.
- ***Leading Technology & Analytics Drive Customer Value Proposition***. Our strategic investments in technologies such as robotic process automation, artificial intelligence, facial recognition, and machine learning enable us to deliver superior risk management solutions with excellent speed, accuracy, and value to our customers. Our full product suite is available on our core platform, Enterprise Advantage, which can handle large-scale order volumes with an average of 99.9% uptime. Our AI-powered applicant

experience, Profile Advantage, offers an intuitive user interface with chatbots, digital camera-enabled document uploads, and embedded machine learning to reduce missing information dramatically and compress the timeframe of the entire application process. One business day is saved on average when applicants can submit requisite information anytime via mobile device. Since Profile Advantage manages a critical interaction between our customers and their applicants, we offer our customers the option to white-label the product as an extension of their own brand, enhancing applicant engagement and satisfaction during the onboarding process. We also deliver value to customers through robust analytics solutions that allow them to aggregate, analyze, and act on recruitment and screening data in real-time. This allows our customers to derive actionable insights and make critical and informed decisions to improve the performance of their organization's recruitment, onboarding, safety, and screening programs.

- ***Product and Compliance Strength Across Geographies***. Our global presence allows us to meet the demands of multinational customers that operate in a variety of complex regulatory and compliance regimes, such as FCRA, GDPR, DOT, data privacy regulatory changes, country-specific labor laws, and right-to-work laws. The highly fragmented international screening market historically has resulted in companies relying on multiple providers across geographies, making it difficult for them to ensure consistent and compliant global workforce standards. We have built differentiated product depth, compliance expertise, and geographic coverage, which allow our customers to unify screening programs across 200 countries and territories. In addition, we are also one of the best-suited partners to help U.S. businesses screen candidates with international backgrounds, given our access to data and ability to perform verifications internationally. Our customers turn to us as an important partner in ensuring strong corporate governance across their geographies.

- ***Technology-Driven Operational Excellence and Profitability***. Our technology drives significant operating efficiencies by leveraging automation and end-to-end integrations that enable us to achieve the highest customer satisfaction for quality, accuracy, and turnaround time performance, which are customers' top provider selection criteria, while maintaining strong margins. Our user-facing front-end technology creates a superior applicant experience. Our back-end technology drives operational excellence, with more than 2,750 active intelligent bots yielding significant improvements in speed, accuracy, and cost savings. The intelligent bots have enabled us to improve the average turnaround time for criminal searches in the U.S. by over 10% from 2019 to 2020. Driven by these efficiency gains, we achieved more than 600 basis points of Adjusted EBITDA Margin expansion from 2018 to 2020. We expect our investments in technology and automation will help drive further improvement in our long-term margin profile.

- ***Experienced and Visionary Management Team with Complementary Skills.*** Our entrepreneurial and cohesive executive team is the driving force behind our success. Our management team has driven our recent success with extensive leadership experience in risk, compliance, software, technology, and information services and outstanding cross-functional coordination abilities through both operational discipline and executing on its strategic vision. Our current management team has led our company since 2017 and in that time has driven strategic and transformational initiatives across operations, product, engineering, and sales to accelerate growth and product development. We believe our team has the strategic vision, leadership qualities, technological expertise, and operational capabilities to continue to successfully drive our growth.

Our Growth Strategy

We intend to continue to grow our business profitably by pursuing the following strategies:

- ***Continue to Win New Customers.*** We are focused on winning new customers across industry verticals, particularly those with attractive, long-term hiring outlooks such as e-commerce, essential retail, and transportation and home delivery, and sectors that are increasingly requiring deeper, more frequent checks with high compliance standards such as healthcare and technology. We are also prioritizing new verticals that align with positive secular macroeconomic trends. We focus on large Enterprise customers, which we believe are well-positioned for durable, long-term growth, have complex and diverse global operations, and, as a result, have the highest demand for our products and solutions. We believe our innovative and differentiated solutions, high-performing Sales and Customer Success teams, operational excellence, and industry-leading reputation and brand will enable us to expand our customer base successfully.

- ***Growth within Our Existing Customer Base through Upselling and Cross-selling.*** Our customers frequently begin their relationship with us by implementing a few core products and subsequently expanding their usage of our solutions platform over time to build a more comprehensive approach to screening and risk management. We drive upsell as customers extend our products and solutions to new divisions and geographies, perform more extensive screens, and purchase additional complementary pre-onboarding products. We also cross-sell additional risk mitigation and compliance solutions such as post-onboarding screening, hiring tax credits, and fleet solutions. Our Sales and Customer Success teams frequently engage with our existing customers and identify areas where we can provide additional value and products. Our deeply entrenched, dedicated Customer Success teams work closely with our customers to develop robust and rigorous compliance and risk management programs within their organizations. We believe that our total revenue opportunity with current customers is twice the size of our current revenue base when taking into account cross-selling and upselling opportunities. Revenues from cross-sell and upsell added approximately 5 and 4 percentage points to our revenue growth rate in 2019 and 2020, respectively. We will continue to hone our sales and marketing engine to increase product penetration within our existing customer base.

- ***Continue to Innovate Our Product Offerings.*** We plan to continue to expand our post-onboarding and adjacent product revenues. For example, we are currently investing in sources of recurring and subscription-based revenues such as post-onboarding monitoring solutions, software licensing, and data analytics. In addition, we are developing innovative solutions that align with our capabilities in areas such as biometric and identity verification, fraud mitigation, driver and vehicle compliance, franchise screening programs, virtual drug testing, and contingent worker screening. We will continue to invest significantly in our technology to sustain and advance our product leadership.

- ***Expand Internationally.*** We believe we are well-positioned to continue to expand into underpenetrated, high-growth international geographies. As multinational corporations increasingly systematize and elevate their human resources policies and screening providers across the globe while at the same time dealing with a growing set of local requirements, we believe we are uniquely positioned to address their global risk management and compliance requirements. The substantial majority of Enterprise customers do not currently have a single, global provider but are actively evaluating opportunities to consolidate their screening programs. We plan to continue to invest in international Sales and Customer Success to win these expansion opportunities and drive broader industry adoption.

- ***Selectively Pursue Complementary Acquisitions and Strategic Partnerships.*** Our acquisition and partnership strategy centers on delivering additional value to our customers through expanded product capabilities and industry or geographic expertise and scale. For example, in March 2021 we acquired GB Group's screening business in the U.K., which established First Advantage as one of the largest screening providers for U.K.-based companies and organizations. We intend to augment our organic growth by continuing to take a disciplined approach in identifying and evaluating potential strategic acquisition, investment, and partnership opportunities that strengthen our market positions, enhance our product offerings, strengthen our data capabilities, and/or allow us to enter new markets.

The First Advantage Product Suite

Our comprehensive product suite enables our customers across all industry sectors to perform pre-onboarding screening and post-onboarding monitoring of employees, contingent and extended workers, drivers, and volunteers. We generally classify our products and solutions into three categories: pre-onboarding, post-onboarding, and adjacent products, each of which is enabled by our technology platform, proprietary databases, and data analytics capabilities. For the year ended December 31, 2020 and the nine months ended September 30, 2021, we derived a substantial majority of our revenues from pre-onboarding products and solutions.

Pre-Onboarding

We offer an extensive array of products and solutions that customers utilize to enhance their applicant evaluation process, ensure compliance from the time applicant information is initially requested and submitted to an applicant's successful onboarding, and enhance workplace safety. Our platform is flexibly tailored to each customer's requirements, which could include a wide array of search categories such as Social Security number verification, education, and employment verification, federal criminal checks, statewide criminal checks, country criminal checks, sex offender registry, and global sanctions. Our pre-onboarding products include:

- ***Criminal background checks:*** Utilizes our proprietary National Criminal Records database, which encompasses hundreds of millions of criminal records along with court and other public records to help identify relevant matching and reportable criminal record histories.
- ***Drug / Health screening***: Offers various drug screening products, including saliva, urine, hair, and blood testing options, physical exams, and instant oral and virtual drug screening products performed by mouth swab collection.
- ***Extended workforce screening:*** Enables our customers to efficiently screen large numbers of contingent, contract, and temporary workers across various search types.
- ***FBI channeling:*** As an approved FBI channeler, handles submissions of fingerprints to the FBI National Criminal Records database and returns Criminal Record Information from the FBI to authorized recipients, including through a secure connection to the Financial Industry Regulatory Authority ("FINRA").
- ***Identity checks and biometric fraud mitigation tools:*** Includes government ID validation, mobile facial recognition, and identity and fraud mitigation tools.
- ***Education / Work history verification:*** Validates work history and education of applicants leveraging our proprietary Verified! database, internal fulfillment, or through partnerships with other data providers.
- ***Driver records and compliance:*** Collection and storage of driver qualification files, as well as drug screening and background checks to assist with compliance with the DOT, Federal Motor Carrier Safety Administration ("FMCSA"), Federal Aviation Administration ("FAA"), International Fuel Tax Agreement ("IFTA"), and other regulatory agencies across all 50 states and the District of Columbia.
- ***Healthcare credentials:*** Through our extensive Healthcare Exclusions Actions and Licensures ("HEAL") product, verifies and documents the educational background, training, experience, and other credentials of healthcare employees, contractors, volunteers, and vendors, including identifying exclusions and sanctions by medical boards, Medicaid and Medicare, the Office of Inspector General, and the General Services Administration.
- ***Executive screening:*** Provides in-depth investigative reports to confirm various aspects of credentials not typically covered by most background checks, such as civil litigation and bankruptcies, negative media searches, controversies and inconsistencies in business dealings, corporate and regulatory history, and potential conflicts of interest.
- ***Others:*** Includes screening products such as global sanctions, professional licenses and credentials verification, social media checks, and I-9 verification.

Post-Onboarding

Companies face a heightened responsibility to ensure safety and comply with laws, regulations, and licensing requirements after the initial screening and onboarding of an applicant. We provide our customers with continuous monitoring and re-screening solutions that are important tools to keep their end customers, workforces, and other stakeholders safe, productive, and compliant. Continuous monitoring solutions allow customers to be proactively alerted as soon as relevant information, which may require immediate attention and action, becomes available. Our post-onboarding solutions include:

- ***Criminal records monitoring:*** Enables our customers to receive ongoing notification of any reportable criminal records of their employees, extended workers, drivers, and volunteers.

- ***Healthcare sanctions:*** Our HEAL product provides ongoing healthcare-related compliance monitoring, which allows our customers to ensure doctors, nurses, other employees, and vendors have valid licenses and no exclusions, sanctions, or board actions against them.
- ***Motor vehicle records:*** Provides customers with a streamlined process to establish an initial driver file and enroll drivers into the continuous monitoring program, which reports new violations and driver records changes.
- ***Social media:*** Offers continuous social media screening tailored to a customers' specific criteria.
- ***Global sanctions and licenses:*** Continuously monitors more than 1,000 source lists and searches a broad range of individual watchlists and key sanctions sources.

Adjacent Products

We also offer adjacent products that complement our pre-onboarding and post-onboarding products and solutions:

- ***Fleet / Vehicle compliance:*** Comprehensive solutions for fleet managers to ensure compliance with various state and federal requirements, including licenses, titles, registrations, and gas taxes.
- ***Hiring tax credits and incentives:*** Identifies and processes U.S. employment tax credits and economic incentive programs, including the Federal Work Opportunity Tax Credit ("WOTC") program and other federal, state, and local incentives. Uses data collected from applicants during their background screen to ensure quality and efficiency.
- ***Resident! Tenant screening:*** Enables property managers, landlords, owners, and leasing agents to screen prospective tenants.
- ***Investigative research:*** Provides in-depth investigative reports, similar to our Executive Screening products, used in performing due diligence of alternative investment managers and senior executives before a major investment commitment or M&A transaction.

Our suite of products is available individually or through bundled solutions configured and tailored according to our customers' needs. For example, through our RoadReady solution, we provide comprehensive driver and fleet solutions in compliance and asset management. Our driver compliance products include pre-onboarding background checks, MVRs, drug tests, driver files, and post-onboarding monitoring. Our asset management products related to vehicle compliance include title management, registration, fuel and gas tax, permits, transponder management, and ongoing data analytics. All these products that comprise our RoadReady solution can be purchased individually or as a bundle.

Analytics Through Insight Advantage

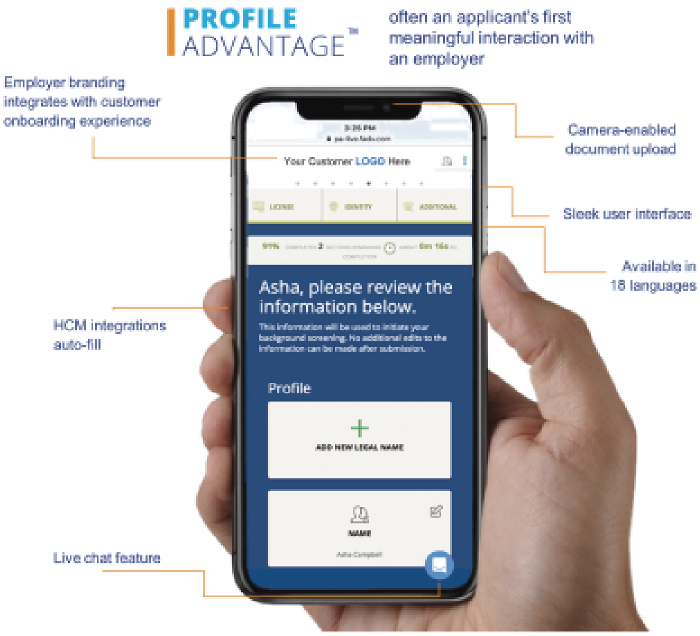
In addition to the products described above, we provide customers with actionable, data-driven analytics and insights that help inform decisions related to human capital more generally, as well as optimize their screening programs. We deliver these insights and analytics through Insight Advantage. This powerful and dynamic tool enables customers to analyze their performance and benchmark it against industry data, such as hiring volumes by geography, as well as evaluate their screening program against industry best practices. Our customers can also identify the scope of the pool of qualified applicants in a specified geography, which informs their decision as to whether to expand operations in such geography. In addition, our customers can dynamically adjust the stringency of their screening criteria to view and assess the expected impact on hire rates, turnaround times, and screening costs. Insight Advantage's dashboard reports and real-time queries help customers quickly identify opportunities to remedy problems before they impact their screening and onboarding process. We believe our ability to provide these data-driven insights, enabled by our sophisticated and differentiated technology platform, sets us apart from our competitors.

Our Differentiated Technology Platform

Background screening involves complex workflows, disparate internal and external data sources, and numerous integrations with third-party software providers. We believe our differentiated technology platform provides us with a strong competitive advantage. Our front-end technology, including our powerful UI/UX design, creates a superior applicant and enterprise customer experience, leveraging AI and machine learning to optimize workflows and minimize applicant data capture errors and missing information. Our back-end technology and processing engine seamlessly integrate interactions with customer HCM platforms and other software, government, and third-party data sources, as well as internal Operations and Customer Care teams. We have been and will continue to be pioneers in using automation and intelligent routing technologies to optimize turnaround times, quality, and touchless end-to-end screening. Our compliance rules engine governs all aspects of our technology platform and is designed to meet ever-changing global regulatory and compliance requirements.

Our Enterprise users and their applicants access our technology platform through intuitive, easy-to-use user interfaces – Profile Advantage, Enterprise Advantage, and Insight Advantage.

- ***Profile Advantage*:** Our applicant-facing platform available in 18 languages, offering intuitive design with chatbots, digital camera-enabled document uploads, and ID verification for a streamlined candidate experience. Profile Advantage provides a modern, easy-to-use experience, which is critical. It is often the first and one of the most important early interactions between an applicant and our customers. Profile Advantage can be accessed through a computer, tablet, or mobile device and is built for Web Content Accessibility Guidelines ("WCAG") 2.1 to be easily accessed by people with disabilities. We believe that applicants view this experience as an important reflection of the customer. As such, customers can extend their branding to Profile Advantage to help improve applicant engagement. With its embedded AI, machine learning, and powerful features such as auto-fill, Profile Advantage reduces missing information dramatically and compresses the entire applicant application process, driving significant time savings for both applicants and customers and enabling fast time-to-hire.



- ***Enterprise Advantage*****:** Our core, global end-to-end customer ordering and processing platform, Enterprise Advantage, enables our customers to order any of our products and solutions at scale. It has an average of 99.9% uptime due to its seamless integrations with our customers' business processes and workflows, third-party enterprise software systems such as HCM and ATS platforms, and third-party data sources. Through Enterprise Advantage, our customers can easily manage their screening programs, either through centralized processes or by region or division, create customized screening packages, manage screening criteria, and administer adverse action letters.
- ***Insight Advantage*****:** Our innovative, dynamic analytics tool offers our customers dashboards and automated reporting to assess their screening programs' underlying drivers and make data-driven decisions in real-time. We leverage the customer's unique applicant and screening data collected through Profile Advantage and Enterprise Advantage to create real-time insights presented in dynamic dashboards. Customers have the ability to customize their dashboards and perform scenario analysis with our intuitive and flexible tools. Customers can also overlay key metrics from industry peer groups to discover and benchmark best-practices so that they may optimize their screening programs to deliver best-in-class performance. Further, Insight Advantage can be used for predictive analytics about potential hiring criteria, applicant availability, and time-to-hire at any market level they choose – regional, state, city, and even specific zip codes.

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We have designed our platform architecture for extensibility. We receive data directly from the applicant through Profile Advantage and from our customers through their third-party HCM and ATS software platforms. This data is supplemented by our proprietary databases and external data sources as we perform verifications. Our proprietary databases of over 600 million records include our National Criminal File, offering access to more than 576 million criminal records with thousands of new records added daily, and Verified!, our repository of approximately 36 million prior education and work history records. These proprietary databases allow us to complete our verifications process quickly and cost-effectively, which accelerates the onboarding process for our customers and improves the applicant experience. We also obtain data directly from federal, state, and local government entities, laboratories and collection sites, credit bureaus, and education and work history verification providers, as well as from third-party, independent compilers of public records. Our API integrations, either through our XChange Standard API or our XChange REST API, allow for real-time, bidirectional, and secure data flows between us and our customers' software platforms and external data sources, creating a seamless and integrated screening process. Our platform interfaces with more than 70 third-party HCM software platforms and more than 600 automated and/or integrated external data providers. In addition to our APIs, we leverage our RPA tools and AI software to deliver results to our customers with high speed and accuracy.

Background screening and verification requirements vary from customer to customer, depending on the size and geographic footprint of the business as well as the industry vertical in which the customer operates. For example, customers in the transportation, logistics, and home delivery industry may have screening requirements relating to transportation regulatory bodies, including the DOT, FMCSA, FAA, and IFTA, that customers in other industries do not require. In addition, the laws and regulations on the use of certain information vary significantly from jurisdiction to jurisdiction and are constantly evolving. We have designed our platform to be highly configurable, allowing us to provide our customers with tailored solutions that meet their specific needs. Our powerful compliance rules engine is continually updated to reflect the changing legal and regulatory landscape, ensuring that the use by our customers of data and information we provide them with is compliant with complex and changing data usage guidelines and regulatory requirements.

Our flexible, scalable, and highly integrated platform, powered by a differentiated compliance rules engine and enhanced by our investments in automation and AI, has driven significant operational efficiencies and enabled us to achieve the highest customer satisfaction among our competitors for quality, accuracy, and turnaround times. We will continue to innovate using agile software development methodologies, focusing on user-centered design, to bring leading products and solutions to the market.

Sales and Marketing

We believe we have a highly differentiated, verticalized Sales, Customer Success, and Marketing approach that sets us apart from our competitors and positions us to capture additional market share. Our Sales team of over 100 professionals is vertically aligned and organized into groups that target new accounts and additional opportunities within existing accounts. We train and educate our sales professionals to ensure they are highly knowledgeable in the industry-specific screening requirements and can deliver value-added, industry-targeted solutions to existing and new customers.

Our Sales team is augmented by over 200 Customer Success professionals, who are similarly organized to deliver solutions specific to existing customers within each industry vertical. Our Customer Success team members are located across geographies to foster deep relationships with customers and build local expertise in compliance and screening standards. Our Customer Success teams maintain ongoing interactions with key customer users and program owners and hold regular formal customer account reviews to ensure high performance, satisfaction, and retention. They also organize our customer advisory boards and events to uncover product insights, drive product innovation, and share screening and compliance best practices with our customers. This further drives our industry-leading NPS and high retention rates and helps us identify and execute additional opportunities with existing customers.

We believe the extensive coordination between our Sales, Customer Success, and Product teams is a driving force behind our continued expansion. These teams also enhance our value proposition by working closely with our Compliance, Marketing, Solutions Engineering, and Business Development teams.

Our relationships with HCM software providers are an important aspect of our Sales and Marketing strategy. Our platform is tightly integrated with major HCM and ATS platforms, which offers greater speed and efficiency and enhances the value of our solutions to our customers. Maintaining a strong relationship with these third-party software providers is critical in generating new sales leads and providing market validation to our offerings.

We also market our products and solutions through indirect channels, including traditional and online marketing activities designed to provide sales leads, increase market awareness, and enhance the perception of our brand and offerings. We leverage referral partners, channel partnerships, digital advertising, search engine optimization, webinars, social media, thought leadership, and various event-based marketing. We participate in industry conferences and are published frequently in the industry press. Additionally, we host an annual customer conference, which is named Collaborate, with over 300 attendees participating in presentations, several of which our customers deliver on a wide range of industry topics. Collaborate facilitates discussions and serves as a great resource on industry best practices. We believe we are able to capitalize on the network effects as we build goodwill through customer reviews and testimonials, word-of-mouth referrals, and references from other industry participants.

Customers

We serve a diversified customer base with more than 30,000 customers globally in 2020, including five of the top ten largest private employers in the United States, 55% of the Fortune 100, and approximately one-third of the Fortune 500. Our customer base ranges from small businesses with fewer than 100 employees to multinational corporations with workforces numbering in the hundreds of thousands or more. We have executed a concerted go-to-market strategy to target customers with large, complex workforces and have built a leading customer portfolio in this area as a result. While our customers operate in diverse industries across almost all facets of the global economy, we have strength in sectors with favorable secular trends such as e-commerce, essential retail, transportation and home delivery, warehousing, healthcare, technology, and staffing. We have maintained a gross retention rate of approximately 95% over the past three years and achieved an average tenure of 12 years amongst our top 100 customers. Our retention rate does not factor in revenue impact, whether growth or decline, attributable to existing customers or the incremental revenue impact of new customers.

For the year ended December 31, 2020, on a pro forma basis, we had one customer that accounted for approximately 12% of our revenues. No other customer accounted for more than 10% of our total revenues for such period. For the nine months ended September 30, 2021, there were no customers who accounted for more than 10% of our revenues. As of September 30, 2021, we performed searches across 200 countries and territories, including North America, EMEA, APAC, and India. Approximately 90% and 84% of our total revenues for the year ended December 31, 2020 and for the nine months ended September 30, 2021, respectively, were derived from our North American business, in each case, on a pro forma basis.

Competition

The global background screening and verifications industry is fragmented and competitive. There are many local, single-country companies but few multinational companies that operate with scale and reach. Our competitors vary based on customer size, industry vertical, geography, and product focus.

We compete with large players with broad capabilities and product suites, vertical-focused specialist firms that target customers operating in select industries, mid-size players, competitors that serve SMB customers as well as smaller companies serving primarily local businesses. Some competitors are aligned to a specific product in certain pre-onboarding product lines, such as drug / health screening and executive screening. In our adjacent products market, we compete with certain companies specializing in fleet / vehicle compliance, resident / tenant screening, hiring tax credit screening, and pre-investment screening.

The market for our products and solutions is subject to constant change, sources of competition are numerous, and new competitors frequently arise.

The principal competitive factors affecting our markets include:

- accuracy of screening results;
- turnaround time of screening results;
- product pricing;
- applicant and enterprise user experience, ease of use, level of functionality, scalability, and efficiency;
- breadth and depth of screening solutions;
- geographical reach;
- sales and marketing relationship history with the key decision-makers;
- compliance and regulation;
- industry vertical support that meets the needs of a customers' specific requirements;
- technical and systems performance, including the ability to integrate with customer and third-party systems and applications; and
- cybersecurity, privacy, and data protection.

We believe we compete favorably based on these factors. However, our ability to remain competitive will depend on our continued ability to perform in the areas listed above. For additional information, see "Risk Factors—Risks Related to Our Business—We operate in a penetrated and competitive market."

Government Regulations

Due to the nature of our business, we are subject to significant and extensive U.S. federal, state, local, and foreign laws and regulations. These include national, international, state, and local cybersecurity, privacy and data protection, health, taxation, anti-corruption and anti-money laundering, antitrust/competition, enterprise credit reporting agencies and environmental, health and safety protection. Taking commercially reasonable steps to comply with such laws and regulations is an important priority for us.

Regulators worldwide have adopted or proposed national, international, state, and local laws that regulate consumer protection, cybersecurity, privacy, data protection, and/or business credit reporting. These laws impact, among other things, the collection, use, disclosure, sale, transfer, receipt, storage, transmission, destruction, and other processing of personal data (collectively, "Processing"). The principal laws and regulations that impact our business include, but are not limited to:

- Fair Credit Reporting Act, which regulates the use of consumer report information and governs the accuracy, fairness, and privacy of such information;
- Dodd-Frank Act, which prohibits unfair, deceptive, or abusive acts or practices with respect to consumer financial services practices;
- Gramm-Leach-Bliley Act, which regulates the use of non-public personal financial information held by financial institutions;
- Health Insurance Portability and Accountability Act, which restricts the public disclosure of patient information and applies indirectly to companies that provide services to healthcare-related businesses;
- Drivers' Privacy Protection Act, which restricts the public disclosure, use, and resale of personal data contained in state department of motor vehicle records;
- U.K. and E.U. GDPR;
- Various U.S. federal, state, and local data protection and consumer reporting agency laws at the state level, state data breach laws, and state privacy laws, such as the California Consumer Privacy Act and the Illinois Biometric Information Privacy Act;
- International data protection, data localization, and state secret laws impacting our data suppliers, such as the E.U. GDPR, or us; and
- Oversight by regulatory authorities for engaging in consumer reporting, including the FTC and CFPB in the United States.

These laws and regulations, which are generally designed to protect individuals' privacy and prevent the misuse of personal data or unauthorized access to data, are complex, subject to ongoing changes in regulations and amendments, and inconsistent between jurisdictions. We proactively manage our compliance with laws and regulations through the use of a number of resources, including our in-house legal and compliance department, which consists of approximately 30 legal and compliance professionals, external law firms, trade associations, and local suppliers and partners to understand the legal and regulatory requirements and practices that may impact the delivery of our products and solutions as well as our customers' use of the same in light of employment, privacy and other laws and regulations. Our General Counsel leads our legal department with a Chief Global Compliance Officer reporting to the General Counsel. The compliance team consists of four regional compliance officers globally, with local compliance officers reporting through that hierarchy. Through the legal and compliance functions, we train our team members with respect to compliance with our policies and procedures, monitor changes to relevant material laws and regulations, and meet with regulators and legislators, as necessary and appropriate, to establish transparency of our operations and build trust.

Public concern is high with respect to the Processing of personal data, including Social Security numbers, financial information, and medical information. In the future, additional legislative or regulatory efforts in the United States and internationally could further regulate the Processing of personal data that we Process in the conduct of our business. For additional information, see the section titled "Risk Factors—Risks Related to Our Business—If regulatory regimes continue to heighten their scrutiny over personal data and data security, it could lead to increased restrictions, loss of revenue opportunity, greater costs of compliance, and lost efficiency” and “— Any damage to our reputation or our brand could adversely affect our business, financial condition, and results of operations.”

Intellectual Property

Our success depends, in part, on developing, maintaining, protecting and enforcing our proprietary technology and intellectual property rights. We own and control various intellectual property rights, such as confidential information, trade secrets, trademarks, service marks, trade names, domain names, copyrights, patents, and U.S. and foreign registrations and applications in the foregoing. We are licensed to use certain technology and other intellectual property rights owned and controlled by others, and certain third parties are licensed to use certain technology and other intellectual property rights owned and controlled by us.

Obtaining, maintaining, protecting and enforcing our intellectual property and proprietary rights is an important aspect of our business. We rely on a combination of statutory (e.g., copyright, trademark, trade secret, patent), contract, and liability safeguards (e.g., confidentiality and invention assignment agreements with our employees and contractors and nondisclosure agreements with our vendors) to protect our intellectual property in the United States, and other jurisdictions. We currently have patent and trademark applications pending in several jurisdictions. Filing these applications does not guarantee patents will be issued or that our trademark applications will proceed to registration without challenge, but may provide us with legal defense and allow us to pursue the protection of our intellectual property to the extent we believe it would be beneficial and cost-effective.

While we believe that our intellectual property, in the aggregate, is generally important to our business and operations, we do not regard any aspect of our business as being dependent upon any single patent, group of patents or other intellectual property right. However, the First Advantage name and related trade names, marks, and logos are of material importance to our business, and their loss could have a significant negative impact on us.

See the section titled “Risk Factors” for a more comprehensive description of risks related to our intellectual property and proprietary rights.

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 September through November months leading up to the holiday season and lowest at the beginning of the new year, following the holiday season. Certain customers across various industries also historically ramp up their hiring throughout the first half of the year as winter concludes, commercial activity tied to outdoor activities increases, and the school year ends, giving rise to student and graduate hiring. In addition, apartment rental activity and associated screening activity typically decline in the fourth quarter heading into the holiday season. We expect that further growth in e-commerce, the continued digital transformation of the economy, and other economic forces may impact future seasonality but are unable to predict these potential shifts and how our business may be impacted.

Human Capital

As of September 30, 2021, we had approximately 5,100 employees in 16 countries. None of our employees are subject to a collective bargaining agreement, and no work stoppages have been experienced. We consider our relationship with our employees to be good.

Global Code of Conduct and Ethics

The quality of our products and operations affects our reputation, productivity, profitability, and market position. Our objective is to create a work environment that allows and encourages all employees to perform their duties in an efficient, effective manner. We have established a Global Code of Conduct and Ethics (“Code”). Compliance with the provisions of the Code is a basic condition of employment at First Advantage.

Equal Employment

We strive for all of our employees to work in an environment where we are treated with dignity and respect. We are an equal opportunity employment employer and are committed to providing a workplace that is free of discrimination of all types from abusive, offensive, or harassing behavior. We are committed to creating such an environment because it brings out the full potential in each of our employees, which, in turn, contributes directly to our business success.

Diversity and Inclusion

We are committed to enhancing its diversity and demonstrating that commitment to its employees, customers, and community. We promote diversity by developing policies, programs, and procedures that foster a work environment where differences are respected and all employees are treated fairly.

Diversity refers to human differences that exist in the workplace, including those based on culture, ethnicity, gender, and age. We believe that promoting diversity plays an important role in attracting the most expansive pool of qualified applicants, fostering greater innovation and creativity, and enhancing our communication and relationships with customers and the community.

Our goal is to attract, develop, and retain the best and brightest from all walks of life and backgrounds. This requires an organization to have a culture of inclusion where all individuals feel respected, are treated fairly, and are provided work-life balance and an opportunity to excel in their chosen careers. We leverage our diverse and inclusive workforce to achieve superior business results.

Supplier Diversity

We are committed to developing mutually beneficial relationships with small, minority-owned, women-owned, disadvantaged, veteran-owned, and local business enterprises. The Supplier Diversity Policy reflects our desire to create an opportunity for suppliers to market their products to the Company. When all business considerations are determined to be equal among competitive suppliers, the Company will award contracts to such businesses.

Properties

Our corporate office is located at 1 Concourse Parkway NE, Suite 200, Atlanta, GA 30328 under a lease agreement that expires on January 31, 2025, with two five-year renewal options. This property also houses our executive offices. We also lease our office space in Bangalore, India, where our Global Operating Center is located. Additionally, we lease office space in Indianapolis, Indiana; Bolingbrook, Illinois; Manila, Philippines; and Mumbai, India for certain significant operational and support functions. We believe that our executive and other offices are adequate for our immediate needs and that we will obtain additional or substitute space, as needed, on commercially reasonable terms.

In addition to leveraging public cloud vendors, we maintain five data centers across the globe, with two located in the United States (Atlanta and Indianapolis) and one in each of Europe (Amsterdam), Canada (Toronto), and India (Bangalore). We also have a disaster recovery site in Suwanee, Georgia. Our data centers are fully PCI compliant and equipped with redundant power, cooling, and fire suppression. We also ensure that our data centers maintain connectivity to all major internet service providers and are always protected and surveilled by our Global Network Operations Center. In the event of a disaster or emergency, each data center can rely on a backup site located outside of the primary site’s region where all critical data is replicated. In the event of a service failure, all critical customer-facing solutions are set to resume service at the designated backup location.

Legal Proceedings

In the ordinary course of business, we are subject to various legal proceedings, claims, governmental inspections, audits, and investigations. From time to time, we also receive requests for information from various regulatory authorities, some of which may result in the assessment of fines, settlements, or enforcement actions requiring a variety of remedies. We acquired a company in 2013 that was subject to multiple FTC consent decrees that had been imposed on it in the years prior to our acquisition and to which we now remain subject. The consent decrees require us to comply with the FCRA and to maintain a comprehensive information security program to be audited biennially. Under these circumstances, failure to comply with the decrees and/or relevant law or regulations may subject us to increased risk.

Although we cannot predict the outcomes of various legal proceedings to which we are or may become subject, at present we do not expect the ultimate resolution of these matters to have a material adverse effect on our financial position, results of operations, or cash flows. We accrue reserves for these claims based on our experience and ability to reasonably estimate and ascertain the probability of any liability. We have also recorded liabilities for two separate class action cases filed in the State of California, in connection with a settlement agreement that is pending court approval. See Note 13 of the consolidated financial statements included in this prospectus.

On April 2, 2021, a class action was filed against the Company in the U.S. District Court for the Central District of California alleging that the background check reports furnished as part of our FBI channeling solutions are subject to the FCRA and California Investigative Consumer Reporting Agencies Act (“ICRAA”) and therefore certain such background check reports were provided to our customers in violation of the FCRA and ICRAA. We have agreed to settle for approximately $57,000 plus attorneys’ fees, and the case has been dismissed by the court. We do not expect this matter to have a material effect on our financial position, results of operations, or cash flows.

Indemnification and Insurance

Our business exposes us to potential liability including, but not limited to, potential liability for (i) breach of contract or negligence claims by our customers, (ii) non-compliance with applicable laws and regulations, and (iii) employment-related claims. In certain circumstances, we may also be liable for the acts or omissions of others, such as suppliers of goods or services.

We attempt to manage our potential liability to third-parties through contractual protection (such as indemnification and limitation of liability provisions) in our contracts with customers and others, and through insurance. The contractual indemnification provisions vary in scope and generally do not protect us against all potential liabilities, such as liability arising out of our gross negligence or willful misconduct. In addition, in the event that we seek to enforce such an indemnification provision, the indemnifying party may not have sufficient resources to fully satisfy its indemnification obligations or may otherwise not comply with its contractual obligations. Further, the limitation of liability provisions in our customer contracts also vary in scope, thresholds and exclusions.

We currently maintain errors, omissions and professional liability insurance coverage with limits we believe to be appropriate. However, the coverage provided by such insurance may not be adequate for all claims made and such claims may be contested by applicable insurance carriers.

MANAGEMENT

Executive Officers and Directors

Below is a list of our executive officers and directors, their respective ages as of September 30, 2021 and a brief account of the business experience of each of them.

Name	Age	Position
Scott Staples	55	Chief Executive Officer & Director
David L. Gamsey	64	Executive Vice President & Chief Financial Officer
Bret T. Jardine	55	Executive Vice President, General Counsel & Secretary
Joseph Jaeger	62	President, Americas
Joseph Osnoss	43	Chairman
Susan R. Bell	58	Director
James L. Clark	60	Director
John Rudella	50	Director
Judith Sim	53	Director
Bianca Stoica	28	Director

Executive Officers

Scott Staples has served as our Chief Executive Officer since April 2017. Prior to joining First Advantage, Mr. Staples co-founded Mindtree Ltd., a digital transformation and IT Services company, and served as President Americas & Global Head of Business Groups for 17 years. Mr. Staples spent the first 10 years of his career in various roles at Cambridge Technology Partners, Gemini Consulting and Prudential. Mr. Staples holds a B.A. from the University of Delaware and an M.B.A. from Fairleigh Dickinson University, Madison, New Jersey. Mr. Staples was selected to serve as a director because of his deep knowledge of our business and his significant executive management and leadership experience.

David L. Gamsey has served as our Executive Vice President and Chief Financial Officer since February 2016. Prior to First Advantage, Mr. Gamsey was at Air Serv Corporation from April 2008 to February 2016, where he served as Chief Financial Officer and Chief Operating Officer. Prior to this, Mr. Gamsey was the Chief Financial Officer at Beecher Carlson from January 2005 to February 2008, Innotrac Corporation from February 2000 to January 2005 and AHL Services, Inc. from September 1995 to February 2000. Mr. Gamsey spent 16 years of his career at Price Waterhouse and Arthur Andersen. Mr. Gamsey received his B.B.A. in Accounting, with distinction, from Emory University. Mr. Gamsey is a licensed CPA.

Bret T. Jardine has served as our Executive Vice President, General Counsel and Secretary since January 2011. From November 2009 to December 2010, Mr. Jardine was the head of the legal department of the First Advantage business, which had been an operating division within First American and was later spun off to a company that became known as Corelogic and then was subsequently sold in December 2010. Prior to that, in 2009 when First Advantage was previously a public company, Mr. Jardine was acting General Counsel until November of that year. Before joining First Advantage in August 2004, Mr. Jardine practiced law at Zimmet, Unice, Salzman, Heyman and Jardine PA for nearly a decade, with experience in class actions and regulatory inquiries as well as corporate transactional work and corporate governance. Mr. Jardine holds a B.A. in Political Science from the University of Florida and a J.D. from Stetson University College of Law.

Joseph Jaeger has served as the President, Americas of First Advantage since January 2021. Before this role, he had served as our Chief Revenue Officer since September 2015. Prior to First Advantage, Mr. Jaeger held a variety of roles at human resources technology companies, including Vice President, Sales and Vice President Americas at Kronos from November 2008 to September 2015, Chief Executive Officer of Focal Point Solutions from April 2008 to November 2008 and executive sales, marketing and services leadership roles at Authoria from March 1999 to March 2008. He also served as Sales Director and Vice President, Sales and

Marketing at Health Payment Review and HBO & Company in the healthcare software industry from March 1993 to December 1998. Mr. Jaeger graduated from Indiana University with a B.S. in Business and completed the “Leading High Impact Teams” Program at Northwestern University’s Kellogg School.

Directors

Joseph Osnoss has served as a director since January 2020. Mr. Osnoss is a Managing Partner of Silver Lake, which he joined in 2002. From 2010 to 2014, he was based in London, where he helped oversee the firm’s activities in EMEA. Prior to joining Silver Lake, Mr. Osnoss worked in investment banking at Goldman, Sachs & Co., where he focused on mergers, acquisitions, and financings in the technology and telecommunications industries. In addition to First Advantage, Mr. Osnoss is currently a member of the board of directors of Carta, Cegid Group SA, EverCommerce Inc., Global Blue Group Holding AG, LightBox Holdings, L.P., and Relativity Holdco, LLC. He previously served as a board member of Cast & Crew Payroll, LLC, Cornerstone OnDemand, Inc., Instinet Inc., Interactive Data Corporation, Mercury Payment Systems, Inc., Sabre Corporation, and Virtu Financial Inc. Mr. Osnoss graduated summa cum laude from Harvard College with an A.B. in Applied Mathematics and a citation in French Language. He has remained involved in academics, including as a Visiting Professor in Practice at the London School of Economics; a member of the Dean’s Advisory Cabinet at Harvard’s School of Engineering and Applied Sciences; a participant in The Polsky Center Private Equity Council at the University of Chicago; and a Trustee of Greenwich Academy. Mr. Osnoss was selected to serve as a director because of his extensive experience in private equity investing, domestic and international experience, and service on the boards of directors of other companies.

Susan R. Bell has served as our director since June 2021. Ms. Bell currently serves as a member of the boards of directors of Rollins, Inc., RPC, Inc., and Marine Products Corporation and serves on the audit committees of those corporations. She also serves as chair of the Audit Committee of Rollins, Inc. In 2020, Ms. Bell retired from Ernst & Young LLP (“EY”) after a 36-year career in public accounting, serving in key leadership roles, including Global Financial Accounting Advisory Services Power & Utilities sector leader, Office Managing Partner of EY Atlanta, GA, and Southeast Region Risk Advisory practice leader. Simultaneous with those respective roles, Ms. Bell served as external audit partner or independent quality review partner on external audits. Prior to leading EY’s Southeast Region Risk Advisory practice, Ms. Bell served as an audit and business advisory partner at EY and as an audit partner for Arthur Andersen. Ms. Bell graduated summa cum laude from Mississippi State University with a Bachelor of Professional Accountancy and is a Certified Public Accountant in Georgia and Tennessee. Ms. Bell was selected to serve as a director because of her experience in accounting and auditing and her experience with audit committees and boards.

James L. Clark has served as our director since June 2021. Mr. Clark is the President and Chief Executive Officer of the Boys & Girls Clubs of America. Mr. Clark began his career at the Milwaukee Journal Sentinel in 1979, where he served senior leadership roles in distribution, marketing and customer service operations and advanced to Senior Vice President. He departed the media company after 24 years to become President and CEO of the Boys & Girls Clubs of Greater Milwaukee in 2004, for which he had served as a board member. Mr. Clark previously served as a director of Boxlight Corporation and on the governance committee. Mr. Clark holds a Business Administration degree from the University of Wisconsin-Milwaukee. Mr. Clark was selected to serve as a director because of his experience as a public company director.

John Rudella has served as our director since January 2020. Mr. Rudella is a Director of Silver Lake, which he joined in 2014. Prior to joining Silver Lake, Mr. Rudella served as a U.S. Navy SEAL where he held a variety of leadership positions, worked in technology development, and made multiple deployments to Africa and the Middle East. Mr. Rudella holds a B.S. in Aeronautical Engineering from the U.S. Naval Academy and a M.S. from the Industrial College of the Armed Forces. In addition to First Advantage, Mr. Rudella currently serves on the board of the Station Foundation. He previously served on the board of Ancestry.com. Mr. Rudella was selected to serve as a director because of his experience in private equity investing and knowledge and understanding of business and corporate strategy.

Judith Sim has served as our director since June 2021. Ms. Sim previously held various customer-related and marketing positions at Oracle Corporation from 1991 to April 2020, including as its Chief Marketing Officer from 2005 to April 2020. She has significant leadership and executive experience from her position as head of marketing programs at Oracle, including experience in field marketing, corporate communications, global customer programs, advertising, campaigns, events and corporate branding. Ms. Sim has been a member of the board of directors at Fortinet Inc, since 2015, serving as the chair of the Human Resources Committee and a member of the Corporate Governance and ESG Committees. She was also a member of the board of directors of the San Francisco Chamber of Commerce from 2015 to 2020. Ms. Sim received a B.S. in dietetics from the University of California at Davis. Ms. Sim was selected to serve as a director because of her significant go-to-market experience and her experience as a public company director.

Bianca Stoica has served as our director since January 2020. Ms. Stoica is a Principal of Silver Lake, which she joined in 2015. She graduated summa cum laude from The Wharton School of the University of Pennsylvania, where she received a B.S. in Economics with concentrations in Finance and Accounting and a minor in Mathematics. Ms. Stoica was selected to serve as a director because of her experience in private equity investing and knowledge and understanding of business and corporate strategy.

Composition of Our Board of Directors

Our business and affairs are managed under the direction of our board of directors. Our amended and restated certificate of incorporation provides for a classified board of directors, with two directors in Class I (Mr. Staples and Ms. Bell), two directors in Class II (Mr. Clark and Ms. Stoica) and three directors in Class III (Mr. Osnoss, Mr. Rudella, and Ms. Sim). See “Description of Capital Stock.”

In addition, pursuant to our stockholders’ agreement, our Sponsor has the right to designate nominees to our board of directors subject to the maintenance of certain ownership requirements in us. See “Certain Relationships and Related Party Transactions—Stockholders’ Agreement.”

Controlled Company Exemption

After the completion of this offering, our Sponsor, who is party to the stockholders’ agreement, will continue to beneficially own shares representing more than 50% of the voting power of our shares eligible to vote in the election of directors. As a result, we qualify as a “controlled company” within the meaning of the corporate governance standards of Nasdaq. Under these corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance standards, including the requirements (1) that a majority of our board of directors consist of independent directors, (2) that our board of directors have a compensation committee that is comprised entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities, and (3) that our board of directors have a nominating and governance committee that is comprised entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities. Although we are not relying on the exemptions from these corporate governance requirements, if we do rely on such exemptions in the future, you will not have the same protections afforded to stockholders of companies that are subject to these corporate governance requirements. In the event that we cease to be a “controlled company” and our shares continue to be listed on Nasdaq, we will be required to comply with these provisions within the applicable transition periods.

Board Leadership Structure and Our Board of Director’s Role in Risk Oversight

Committees of Our Board of Directors

The standing committees of our board of directors currently consist of an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee. Our board of directors may also establish from time to time any other committees that it deems necessary or desirable.

The board of directors has extensive involvement in the oversight of risk management related to us and our business. Our chief executive officer and other executive officers will regularly report to the non-executive directors and the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee to ensure effective and efficient oversight of our activities and to assist in proper risk management and the ongoing evaluation of management controls. We believe that the leadership structure of our board of directors provides appropriate risk oversight of our activities given the controlling interests held by our Sponsor.

Audit Committee

We have an Audit Committee, consisting of Ms. Bell, who serves as the Chair, Ms. Sim and Ms. Stoica. Ms. Bell and Ms. Sim qualify as independent directors under the independence requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Our board of directors has determined that Ms. Bell qualifies as an "audit committee financial expert" as such term is defined in Item 407(d)(5) of Regulation S-K.

Our Audit Committee is responsible for, among other things:

- selecting and hiring our independent auditors, and approving the audit and non-audit services to be performed by our independent auditors;
- assisting the board of directors in evaluating the qualifications, performance and independence of our independent auditors;
- assisting the board of directors in monitoring the quality and integrity of our financial statements and our accounting and financial reporting;
- assisting the board of directors in monitoring our compliance with legal and regulatory requirements;
- reviewing the adequacy and effectiveness of our internal control over financial reporting processes;
- assisting the board of directors in monitoring the performance of our internal audit function;
- reviewing with management and our independent auditors our annual and quarterly financial statements;
- overseeing our technology security and data privacy programs;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters; and
- preparing the audit committee report that the rules and regulations of the SEC require to be included in our annual proxy statement.

Our board of directors has adopted a written charter for the Audit Committee, which is available on our website.

Compensation Committee

We have a Compensation Committee, consisting of Ms. Bell, Ms. Stoica, and Mr. Rudella, who serves as the Chair.

The Compensation Committee is responsible for, among other things:

- reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer, evaluating our Chief Executive Officer's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board of directors), determining and approving, or making recommendations to the board of directors with respect to, our Chief Executive Officer's compensation level based on such evaluation;

- reviewing and approving, or making recommendations to the board of directors with respect to, the compensation of our other executive officers, including annual base salary, bonus and equity-based incentives and other benefits;
- reviewing and recommending the compensation of our directors;
- reviewing and discussing annually with management our "Compensation Discussion and Analysis" disclosure required by SEC rules;
- preparing the compensation committee report required by the SEC to be included in our annual proxy statement; and
- reviewing and making recommendations with respect to our equity compensation plans.

Our board of directors has adopted a written charter for the Compensation Committee, which is available on our website.

Nominating and Governance Committee

We have a Nominating and Governance Committee, consisting of Mr. Clark, Mr. Osnoss, and Ms. Sim, who serves as the Chair.

The Nominating and Governance Committee will be responsible for, among other things:

- assisting our board of directors in identifying prospective director nominees and recommending nominees to the board of directors;
- overseeing the evaluation of the board of directors and management;
- developing and recommending a set of corporate governance guidelines;
- recommending members for each committee of our board of directors; and
- otherwise taking a leadership role in shaping our corporate governance and overseeing our strategy as it relates to environmental and social matters.

Our board of directors has adopted a written charter for the Nominating and Governance Committee, which is available on our website.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee has at any time been one of our executive officers or employees. None of our executive officers currently serves, or has served during the last completed fiscal year, on the compensation committee or board of directors of any other entity that has one or more executive officers serving as a member of our board of directors or Compensation Committee.

We are parties to certain transactions with our Sponsor and certain of our directors described in the section of this prospectus entitled "Certain Relationships and Related Party Transactions."

Director Independence

Pursuant to the corporate governance listing standards of Nasdaq, a director employed by us cannot be deemed to be an "independent director." Each other director will qualify as "independent" only if our board of directors affirmatively determines that he has no material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us. Ownership of a significant amount of our stock, by itself, does not constitute a material relationship.

Our board of directors have affirmatively determined that each of our directors, other than Scott Staples, qualifies as “independent” in accordance with Nasdaq. In making its independence determinations, our board of directors considered and reviewed all information known to it (including information identified through directors’ questionnaires).

Background and Experience of Directors; Board Diversity

When considering whether directors and nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable our board of directors to satisfy its oversight responsibilities effectively in light of our business and structure, the board of directors focused primarily on each person’s background and experience as reflected in the information discussed in each of the directors’ individual biographies set forth above. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business.

In evaluating director candidates, we consider, and will continue to consider in the future, factors including, personal and professional character, integrity, ethics and values, experience in corporate management, finance and other relevant industry experience, social policy concerns, judgment, potential conflicts of interest, including other commitments, practical and mature business judgment, and any other relevant qualifications, attributes, or skills.

Code of Ethics and Business Conduct

We have adopted a new Code of Ethics and Business Conduct that applies to all of our directors, officers and employees, including our chief executive officer and chief financial and accounting officer. Our Code of Ethics and Business Conduct is available on our website. Our Code of Ethics and Business Conduct is a “code of ethics,” as defined in Item 406(b) of Regulation S-K. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our code of ethics on our website.

Compensation of Directors

None of our directors received any form of compensation in their individual capacity for services rendered as a director during the year ended December 31, 2020. We reimburse our non-employee directors for their reasonable out-of-pocket expenses related to their service as a director, including reasonable travel and related expenses associated with attendance at our board of directors and committee meetings.

See “Executive Compensation—Director Compensation.”

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EXECUTIVE COMPENSATION

The following table sets forth information concerning the compensation earned by our named executive officers ("Named Executive Officers"), during our fiscal year ended December 31, 2020, which we also refer to as 2020.

As an "emerging growth company," we are required to provide executive compensation information for the following individuals: (i) the Company's principal executive officer ("PEO"), during the fiscal year, regardless of compensation; (ii) the two most highly compensated executive officers (other than the PEO) who were serving as executive officers of the Company at the end of the fiscal year and whose total compensation was greater than $100,000; and (iii) up to two additional persons who served as executive officers (other than as the PEO) during the fiscal year but were not serving in that capacity at the end of the fiscal year if their total compensation is higher than any of the other two named executive officers in the preceding group. Our Named Executive Officers for 2020 include our Chief Executive Officer (Scott Staples) and our two most highly compensated executive officers, other than our Chief Executive Officer (Joseph Jaeger, our President, Americas, and David L. Gamsey, our Chief Financial Officer & Executive Vice President). For 2020, we had no former executive officers who would qualify as Named Executive Officers.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)(1)	BONUS ($)(2)	EQUITY AWARDS ($)(3)	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)(4)	ALL OTHER COMPENSATION ($)(5)	TOTAL ($)
Scott Staples	2020	450,007	750,000	4,192,412	277,300	4,275	5,673,994
Chief Executive Officer							
Joseph Jaeger	2020	499,995	750,000	1,222,787	432,100	4,275	2,909,157
President, Americas(6)							
David L. Gamsey	2020	400,006	750,000	873,419	172,800	4,275	2,200,500
Chief Financial Officer & Executive Vice President							

(1) The amounts reported in this column represent each Named Executive Officer's base salary earned during 2020.

(2) Each of the Named Executive Officers received a one-time transaction bonus paid upon the January 31, 2020 close of the Silver Lake Transaction.

(3) We granted Class C LP Units, which are intended to qualify as profits interests, to each of our Named Executive Officers pursuant to a form of grant agreement (the "Unit Grant Agreement"). 50% of the Class C LP Units are subject solely to time-based vesting criteria, and the other 50% of the Class C LP Units are subject to both time and performance-based vesting criteria. The performance-vesting Class C LP Units are subject to market conditions and an implied performance condition as defined under applicable accounting standards. The grant date fair value of performance-vesting Class C LP Units was computed based upon the probable outcome of the performance conditions as of the grant date in accordance with FASB ASC Topic 718. Achievement of the performance conditions for the performance-vesting Class C LP Units was not deemed probable on the grant date and, accordingly, no value is included in the table for these awards pursuant to the SEC's disclosure rules. Assuming achievement of the performance conditions, the aggregate grant date fair values of the performance-vesting Class C LP Units would have been: $4,192,412 for Mr. Staples, $1,222,787 for Mr. Jaeger, and $873,419 for Mr. Gamsey. See Note 11 to our audited consolidated financial statements included elsewhere in this prospectus for a discussion of the valuation of our equity-based awards. In connection with the IPO, all outstanding Class C LP Units, including those held by our Named Executive Officers, were exchanged with newly issued shares of our common stock.

(4) The amounts reported in this column represent the annual incentive bonus amounts earned by each Named Executive Officer pursuant to our Management Incentive Compensation Plan (the “MICP” and as described below under “—Management Incentive Compensation Plan”).
(5) The amounts reported in this column represent the discretionary employer matching contribution under the 401(k) Plan for each Named Executive Officer.
(6) In 2020, Mr. Jaeger served as our Chief Revenue Officer and was promoted to President, Americas effective 2021.

Employment Arrangements with Named Executive Officers

The Company entered into an employment letter agreement with each of our Named Executive Officers, which sets forth standard terms summarizing annual base salary, bonus, and benefits. The employment letter agreements also provide for certain severance payments that may be due following termination of employment under certain circumstances, subject to execution of a release of claims and compliance with certain restrictive covenants.

Staples Employment Agreement

Pursuant to Mr. Staples’ employment letter agreement, dated March 1, 2017 (the “Staples Employment Agreement”), Mr. Staples serves as our Chief Executive Officer. The following terms and events are provided by the Staples Employment Agreement:

Employment Term

The Staples Employment Agreement has no specified employment term and may be terminated by either the Company or Mr. Staples at any time and for any reason or no reason. In the event of Mr. Staples’ voluntary resignation, he is required to provide 30 days’ notice and, if so requested by the Company, will continue working on a full-time basis in his then current role through the expiration of the 30-day notice period.

Compensation and Benefits

Mr. Staples is entitled to an initial base salary of $450,000 (unchanged in 2020 and increased to $600,000 in 2021), which is subject to annual review and increase pursuant to employee compensation policies in effect from time to time. In addition, he is eligible to receive an annual performance cash bonus under the MICP in a target amount equal to $350,000 for 2018 and thereafter (unchanged in 2020 and increased to $400,000 in 2021), payable based on the Company’s achievement of revenue and Adjusted EBITDA targets that are established by our board of directors in consultation with Mr. Staples.

Restrictive Covenants

Under the Staples Employment Agreement, Mr. Staples is subject to the following restrictive covenants: (i) confidentiality during employment and perpetually upon termination, (ii) non-use of trade secrets during employment and perpetually upon termination, (iii) non-competition during employment and for 12 months following termination, (iv) non-solicitation of employees and non-solicitation of customers, suppliers, and other business relations during employment and for 12 months following termination, and (v) mutual non-disparagement during employment and perpetually upon termination.

Severance

Mr. Staples is not entitled to any severance payments upon termination due to death, disability, for Cause or without Good Reason (as such terms are defined in the Staples Employment Agreement). Pursuant to the Staples Employment Agreement, if the Company terminates Mr. Staples’ employment without Cause or he resigns for Good Reason, then subject to his continued material compliance with the restrictive covenants and his timely execution, without revocation, of an effective release of claims in favor of the Company and its affiliates, he will be entitled to continued payment of his base salary for the lesser of (i) 12 months and (ii) the period commencing on his termination date and ending on the day preceding the date he begins to provide at least half-time services (whether as an employee, contractor or otherwise) to another person or entity, to be paid in accordance with the standard payroll schedule.

Definitions

Under the Staples Employment Agreement, "Cause" is defined as (i) any act or omission by the executive constituting dishonesty, fraud or other malfeasance, which in any such case is materially injurious to the financial condition or business reputation of the Company or any of its affiliates; (ii) the executive's conviction of, or pleading nolo contendere to, any felony or a misdemeanor involving moral turpitude (or the equivalents thereof in any other jurisdiction in which the Company or any of its affiliates conducts business); (iii) any material misrepresentation or material breach of any of the terms of the Staples Employment Agreement or any willful failure by the executive to carry out or comply with any lawful and reasonable directive of our board of directors, or any willful failure by the executive to carry out his responsibilities as Chief Executive Officer, which breach or failure is not remedied by the executive within 30 days after receiving written notice from our board of directors specifying such breach or failure; (iv) any judgment made by a court of competent jurisdiction or any binding arbitration award made by an arbitral body against the executive or the Company that has the effect of materially diminishing the executive's ability to perform the duties of the executive's position (including, without limitation, any such determination or award enforcing any proprietary information and inventions or similar agreement with a third party).

Under the Staples Employment Agreement, "Good Reason" is defined as (i) a material breach by the Company of the material terms of the Staples Employment Agreement including, but not limited to, the failure of the Company to make any material payment or provide any material benefit specified thereunder; (ii) any material adverse change in the nature or scope of the executive's authority, duties or responsibilities (however, the executive continuing in his current role on a divisional or business unit basis, following the acquisition of the Company and its subsidiaries by a larger entity will not be Good Reason); or (iii) a reduction in the executive's base salary; however, the executive may not resign for Good Reason unless: (x) the executive provided the Company with at least 30 days prior written notice of the executive's intent to resign for Good Reason (which notice must be provided within 90 days following the occurrence of the event(s) purported to constitute Good Reason); and (y) the Company has not remedied the alleged violation(s) within the 30 day period.

Jaeger Employment Agreement

Pursuant to Mr. Jaeger's employment letter agreement, dated August 14, 2015 and amended on May 19, 2016 ("the Jaeger Employment Agreement"), Mr. Jaeger currently serves as our President, Americas and served as our Chief Revenue Officer in 2020. The following terms and events are provided by the Jaeger Employment Agreement.

Employment Term

The Jaeger Employment Agreement has no specified employment term and may be terminated by either the Company or Mr. Jaeger at any time and for any reason or no reason.

Compensation and Benefits

Mr. Jaeger is entitled to an initial base salary of $500,000 (unchanged in 2020 and 2021), which is subject to annual review and increase pursuant to employee compensation policies in effect from time to time. In addition, he is eligible to participate in the MICP, pursuant to which he may receive an annual performance bonus in an amount equal to 100% of his base salary (unchanged in 2020 and 2021), which is payable based on the achievement of annual objectives with respect to company, business unit, and individual performance.

Restrictive Covenants

Under the Jaeger Employment Agreement, Mr. Jaeger is subject to the following restrictive covenants: (i) confidentiality during employment and perpetually upon termination, (ii) non-use of trade secrets during employment and perpetually upon termination, (iii) non-competition during employment and for 12 months following termination (but such non-compete will be suspended during any period where there is a good faith dispute that the Company is not paying compensation otherwise due to him), (iv) non-solicitation of employees and non-solicitation of customers, suppliers, and other business relations during employment and for six months following termination, and (v) mutual non-disparagement during employment and perpetually upon termination.

Severance

Mr. Jaeger is not entitled to any severance payments upon termination due to death, disability, for Cause or without Good Reason (as such terms are defined in the Jaeger Employment Agreement). Pursuant to the Jaeger Employment Agreement, if the Company terminates Mr. Jaeger's employment without Cause or he resigns for Good Reason, then subject to his continued material compliance with the restrictive covenants and his timely execution, without revocation, of an effective release of claims in favor of the Company and its affiliates, he will be entitled to continued payment of his base salary for a period of 12 months, to be paid in accordance with the standard payroll schedule.

Definitions

Under the Jaeger Employment Agreement, "Cause" is defined as (i) any willful act or omission by the executive constituting dishonesty, fraud or other malfeasance, which in any such case is injurious to the financial condition or business reputation of the Company or any if its affiliates; (ii) the executive's conviction of, or pleading nolo contendere to any felony or a misdemeanor involving moral turpitude (or the equivalents thereof in any other jurisdiction in which the Company or any if its affiliates conducts business); (iii) any material misrepresentation or significant breach of any of the terms of the Jaeger Employment Agreement or any significant failure the executive to carry out his obligations under the Jaeger Employment Agreement; or (iv) any judgment made by a court of competent jurisdiction or any binding arbitration award made by an arbitral body against the Company that has the effect of materially diminishing the executive's ability or willingness to perform his duties or the ability or willingness of the Company to accept the executive's performance of such duties (including, without limitation, any such determination or award enforcing any proprietary information and inventions or similar agreement with a third party).

Under the Jaeger Employment Agreement, "Good Reason" is defined as (i) a significant reduction of the executive's duties, position, or responsibilities, relative to the executive's duties, position, or responsibilities in effect immediately prior to such reduction (however, the executive continuing in his same general role on a divisional or business unit basis, following the acquisition of the Company by a larger entity, will not be considered a significant reduction of duties position or responsibilities); (ii) a reduction in the executive's base salary as in effect immediately prior to such reduction except to the extent (x) of the base salaries of substantially all other executive officers of the Company are proportionally reduced or (y) there is a specified amount of reduction in base salaries which is applied comparably to substantially all other executive offers of the Company; or (iii) the relocation of the executive to a facility or location more than 35 miles from the executive's current place of employment.

Gamsey Employment Agreement

Pursuant to Mr. Gamsey's employment letter agreement, dated December 17, 2015, (the "Gamsey Employment Agreement"), Mr. Gamsey serves as our Chief Financial Officer and Executive Vice President. The following terms and events are provided by the Gamsey Employment Agreement.

Employment Term

The Gamsey Employment Agreement has no specified employment term and may be terminated by either the Company or Mr. Gamsey at any time and for any reason or no reason, upon written notice to the other party.

Compensation and Benefits

Mr. Gamsey is entitled to an initial base salary of $400,000 (unchanged in 2020 and increased to $500,000 in 2021), which is subject to annual review and adjustment (but not reduction for the same responsibilities) pursuant to employee compensation policies in effect from time to time. In addition, he is eligible to participate in the MICP, pursuant to which he may receive an annual performance bonus in an amount equal to 50% of his base salary (unchanged in 2020 and 2021), which is payable based on the achievement of annual objectives with respect to company, business unit, and individual performance.

Restrictive Covenants

Under the Gamsey Employment Agreement, Mr. Gamsey is subject to the following restrictive covenants: (i) confidentiality during employment and perpetually upon termination, (ii) non-use of trade secrets during employment and perpetually upon termination, (iii) non-competition during employment and for 12 months following termination, (iv) non-solicitation of employees and non-solicitation of customers, suppliers, and other business relations during employment and for 12 months following termination, and (v) mutual non-disparagement during employment and perpetually upon termination.

Severance

Mr. Gamsey is not entitled to any severance payments upon termination due to death, disability, for Cause or without Good Reason (as such terms are defined in the Gamsey Employment Agreement). Pursuant to the Gamsey Employment Agreement, if the Company terminates Mr. Gamsey's employment without Cause or he resigns for Good Reason, then subject to his continued material compliance with the restrictive covenants and his timely execution, without revocation, of an effective release of claims in favor of the Company and its affiliates, he will be entitled to (i) continued payment of his base salary for a period of nine months following the termination date, to be paid in accordance with the standard payroll schedule; and (ii) reimbursement for the monthly COBRA premium paid by the executive and his spouse for a period of nine months following the termination date.

Definitions

Under the Gamsey Employment Agreement, "Cause" is defined as (i) any willful act or omission by the executive constituting dishonesty, fraud or other willful malfeasance, which in any such case is injurious to the financial condition or business reputation of the Company or any of its affiliates; (ii) the executive's conviction of, or pleading nolo contendere to, any felony or a misdemeanor involving moral turpitude (or the equivalents thereof) in any jurisdiction in which the Company or any of its affiliates conducts business; (iii) any material misrepresentation or significant breach of any of the terms of the Gamsey Employment Agreement or any significant failure by the executive to carry out his obligations thereunder (other than due to disability); or (iv) any judgment made by a court of competent jurisdiction or any binding arbitration award made by an arbitral body against the executive that has the effect of materially diminishing his ability to perform the duties of his employment (including, without limitation, any such determination or award enforcing any proprietary information and inventions or similar agreement with a third party). Notwithstanding the foregoing, with respect to any proposed termination for Cause under subsection (iii) above, the Company will provide the executive with written notice of such assertion of termination for Cause, describing such act(s) allegedly constituting Cause in reasonable detail, at least 10 business days prior to the proposed termination date. During the notice period, the executive will be given an opportunity to cure any such act(s) constituting Cause, or if such act, by its nature, cannot reasonably be expected to be cured within such notice period, he will be given a reasonable opportunity to discuss the situation with our board of directors prior to expiration of such notice period.

Under the Gamsey Employment Agreement, "Good Reason" is defined as (i) a material diminution in the executive's base compensation; (ii) a material diminution in the executive's authority, duties, or responsibilities; (iii) a material diminution in the authority, duties, or responsibilities of an employee to whom the executive reports; (iv) a material diminution in the budget over which the executive has authority; (v) a material change in the geographic location at which the executive performs services; or (vi) any other action or inaction that constitutes a material breach of the Gamsey Employment Agreement by the Company.

Management Incentive Compensation Plan

We maintain a Management Incentive Compensation Plan, pursuant to which participants (including our Named Executive Officers) may receive a cash bonus each year, based on the achievement of specified annual targeted business plan objectives established by the board of directors. Bonus payments under the MICP are made following the completion of the Company's annual financial audit, typically in April of the following year. Targets under the MICP are generally established as a percentage of each participant's base salary. Our board of directors determines the amount of funds to be paid out each year under the MICP based on the level at which the objectives are achieved for such year. The results of the Company's annual performance management program contribute to how the funds are allocated to individual participants, and other determining measures include Company and/or business unit/functional results.

For Mr. Staples, pursuant to the Staples Employment Agreement, the bonus payment under the MICP in 2020 was based solely on the Company's achievement of revenue and Adjusted EBITDA targets that were established by our board of directors in consultation with him. For our other senior leaders, including Messrs. Jaeger and Gamsey, the bonus payment under the MICP in 2020 was based on the achievement of annual objectives with the following allocation: one-third company financial performance, one-third business unit or department financial performance, and one-third individual performance.

The following table summarizes the fiscal 2020 bonus earned by each Named Executive Officer under the MICP in 2020 based on actual bonus achieved, as compared to the target opportunity, for each of our Named Executive Officers.

Name	2020 Base Salary ($)	Target MICP Bonus Amount ($)	Actual MICP Bonus Paid ($)(1)
Scott Staples	450,000	350,000	277,300
Joseph Jaeger	500,000	500,000	432,100
David L. Gamsey	400,000	200,000	172,800

(1) In 2020, Mr. Staples's bonus payment under the MICP was a fixed dollar target pursuant to the Staples Employment Agreement, tied to Company financial performance only. The bonus payment under the MICP in 2020 for each of Messrs. Jaeger and Gamsey was calculated by multiplying each Named Executive Officer's base salary by the target bonus opportunity provided in the executive's employment agreement, which amount was then adjusted by an overall achievement factor based on the level of achievement of the applicable performance metrics (with the following allocation: one-third Company financial performance, one-third business unit financial performance, and one-third individual performance).

Transaction Bonuses

Each of the Named Executive Officers received a one-time transaction bonus of $750,000 paid upon the January 31, 2020 close of the Silver Lake Transaction.

Outstanding Equity Awards at 2020 Year End The following table includes certain information with respect to Class C LP Units held by the Named Executive Officers as of December 31, 2020.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

NAME	GRANT DATE	NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (#)(1)	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED ($)(2)	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED (#)(3)	EQUITY INCENTIVE PLAN AWARDS: MARKET VALUE OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED ($)(4)
Scott Staples					
Class C LP Unit Award	2/9/2020	1,286,016	4,771,119	1,286,016	4,771,119
Joseph Jaeger					
Class C LP Unit Award	2/9/2020	375,088	1,391,576	375,088	1,391,576
David L. Gamsey					
Class C LP Unit Award	2/9/2020	267,920	993,983	267,920	993,983

1) Amounts in this column represent the number of time-based vesting Class C LP Units ("Time Units") that have not vested prior to December 31, 2020. The Class C LP Units were issued pursuant to the Unit Grant Agreement, described under "—Long-Term Equity Incentive Compensation," which provides that subject to the executive's continued employment through the applicable vesting date, 20% of the Time Units become time vested on each of the first five anniversaries of the vesting commencement date (January 31, 2020).
2) Amounts in this column represent the appreciation in the value of each Class C LP Unit over its threshold value from the date of grant through December 31, 2020, based on the Company's valuation as of December 31, 2020.
3) Amounts in this column represent the number of performance-based vesting Class C LP Units ("Performance Units") that have not vested prior to December 31, 2020. The Class C LP Units were issued pursuant to the Unit Grant Agreement, described under "—Long-Term Equity Incentive Compensation," which provides that subject to the executive's continued employment through the applicable potential vesting date, upon each occurrence of a Realization Event (as defined in the Unit Grant Agreement), the number of Performance Units that vest will equal the excess, if any, of (i) the total number of Performance Units as of such Realization Event over (ii) the number of Performance Units that had vested prior to such Realization Event; provided that, as of any time, the percentage of the Performance Units that are vested may not exceed the product of (A) the percentage of the Time Units that are vested as of such time (after giving effect to any accelerated vesting contemplated by the Unit Grant Agreement), and (B) the MOM Percentage (as defined in the Unit Grant Agreement) as of such time. Performance Units that would have vested pursuant to the preceding sentence but for the proviso thereof will vest at such time as doing so would not violate such proviso.
4) Amounts in this column represent the appreciation in the value of each performance-vesting Class C LP Unit over its threshold value from the date of grant through December 31, 2020, based on the Company's valuation as of December 31, 2020.

Long-Term Equity Incentive Compensation

Unit Grant Agreement for Class C LP Units

We granted Class C LP Units, which are intended to qualify as profits interests, to each of our Named Executive Officers pursuant to a form of Unit Grant Agreement. Under the Unit Grant Agreement, the Class C LP Units are subject to both time and performance vesting conditions as follows:

- 50% of the Class C LP Units are Time Units, subject solely to time-based vesting criteria. Subject to the executive's continued employment through the applicable vesting date, 20% of the Time Units become time vested on each of the first five anniversaries of the vesting commencement date (January 31, 2020).

- The other 50% of the Class C LP Units are Performance Units, subject to both time and performance-based vesting criteria. Subject to the executive's continued employment through the applicable potential vesting date, upon each occurrence of a Realization Event (as defined in the Unit Grant Agreement), the number of Performance Units that vest will equal the excess, if any, of (i) the total number of Performance Units as of such Realization Event over (ii) the number of Performance Units that had vested prior to such Realization Event; provided that, as of any time, the percentage of the Performance Units that are vested may not exceed the product of (A) the percentage of the Time Units that are vested as of such time (after giving effect to any accelerated vesting contemplated by the Unit Grant Agreement), and (B) the MOM Percentage (as defined in the Unit Grant Agreement) as of such time. Performance Units that would have vested pursuant to the preceding sentence but for the proviso thereof will vest at such time as doing so would not violate such proviso.

The Unit Grant Agreement provides that upon a termination of the executive's employment for any reason:

- all unvested Time Units and all Performance Units that have not satisfied the time vesting condition will be immediately forfeited for no consideration (even if such Performance Units have satisfied the performance vesting condition prior to such termination), and
- any Performance Units that have satisfied the time vesting condition but not the performance vesting condition will (x) if such termination of employment is for any reason other than without Cause (as defined in the Unit Grant Agreement), be immediately forfeited for no consideration upon the date of such termination, and (y) solely if such termination of employment is without Cause (and other than due to death or permanent disability), remain outstanding and be eligible to satisfy the performance vesting condition upon future Realization Events, subject to a restrictive covenant violation not having occurred.

Upon a termination of the executive's employment for Cause or upon a restrictive covenant violation, all vested and unvested Class C LP Units will terminate and be forfeited for no consideration.

The Unit Grant Agreement further provides that Fastball Holdco GP, LLC (the General Partner) may, in its sole discretion (A) vest any and/or all of the unvested Class C LP Units granted under the Unit Grant Agreement at such time or such other time or times and on such other conditions as the General Partner determines and (B) upon a change of control, provide for any of the following, including any combination thereof, with respect to all or any portion of the Class C LP Units (provided that, except as specifically contemplated by clause (z) of this sentence, in no event will any unvested Class C LP Units that have a fair market value in excess of $0.00 be forfeited without the payment of consideration on a change of control): (x) the Class C LP Units may be continued, assumed, or have new rights substituted therefor; (y) the Class C LP Units may be terminated in exchange for an amount of cash equal to the fair market value of the Class C LP Units (as determined in good faith by the General Partner); and (z) if Silver Lake retains any interest in Fastball Holdco, L.P. or any successor entity following such change of control, all then unvested Performance Units may, in the General Partner's sole discretion, be tested for vesting in connection with such change of control by deeming that Silver Lake sold 100% of its interest in Fastball Holdco, L.P. in such change of control for cash, cash equivalents and/or Marketable Securities (as defined in the Unit Grant Agreement), with any Performance Units that do not vest as a result of such testing being automatically forfeited for no consideration upon the consummation of such change of control. Notwithstanding the foregoing, upon a change of control, if the percentage of Time Units that are vested prior to giving effect to this sentence is less than the Realization Percentage (as defined in the Unit Grant Agreement), then, upon such change of control, the vesting of those Time Units, if any, that are scheduled to vest on the next anniversary of the vesting commencement date (January 31, 2020) will be accelerated to the date of such change of control, but if such additional vesting would result in the time vested percentage being in excess of the Realization Percentage, the number of Time Units that will vest upon the change of control by virtue of this sentence will be reduced so that the time vested percentage after giving effect to such accelerated vesting equals the Realization Percentage. In the event of a termination of the executive's employment without Cause, which occurs during the 12-month period following a change of control, all then-unvested Time Units will vest in full and the time vesting condition for any Performance Units will be deemed to have been satisfied.

The General Partner may adjust the terms of the Class C LP Units in accordance with the Partnership Agreement and/or adjust the applicable performance metrics in a manner that the General Partner determines in good faith is reasonably equivalent to the vesting schedule for the Performance Units as set forth in the original Unit Grant Agreement.

Restrictive Covenants under Unit Grant Agreement

Under the Unit Grant Agreement, each Named Executive Officer is subject to the following restrictive covenants: (i) confidentiality during employment and perpetually upon termination, (ii) non-competition during the period commencing on the grant date and ending on the earlier of (A) the second anniversary of the date on which the executive and his permitted transferees cease to hold any Class C LP Units and (B) the second anniversary of the date of the executive's termination of employment (such period, referred to as the restricted period), (iii) non-solicitation of employees, no hire, and non-solicitation of customers, suppliers, and other business relations during the restricted period, (iv) assignment of inventions, and (v) non-disparagement during employment and perpetually upon termination.

Definitions under Unit Grant Agreement

Under the Unit Grant Agreement, "Aggregate Proceeds" means, with respect to Silver Lake (and without duplication), the (i) aggregate cash or cash equivalents received for all Cash Liquidity Events prior to and including (if applicable) the applicable Realization Event, (ii) the aggregate market value (calculated as of the date of the relevant In Kind Distribution) of the securities distributed in all In Kind Distributions prior to and including (if applicable) the applicable Realization Event, (iii) the aggregate market value (calculated as of the date of such Exchange Realization Event) of the Marketable Securities received in all Exchange Realization Events prior to and including (if applicable) such Realization Event, and (iv) the amount of (A) all distributions received through and including (if applicable) the date of such Realization Event minus (B) the amount of all tax distributions as of such date, in each case, calculated after deducting any commercially reasonable fees, expenses, discounts or similar amounts paid or owed by Silver Lake to a third party in respect of each such Realization Event.

Under the Unit Grant Agreement, "Cost of Units Transferred" means, with respect to any Realization Event, (i) the per unit cost, as determined in good faith by the General Partner, of the units acquired by Silver Lake at any time (excluding any acquisition from a member or former member of Silver Lake) multiplied by (ii) the number of Investor Units (or, without duplication, the equivalent thereof in Public Investor Securities, as applicable) disposed of in all Realization Events up to and including such Realization Event. In the event that members of Silver Lake have acquired units at different per unit prices as of any Realization Event, for purposes of clause (i), the weighted average cost of acquisition as of such Realization Event will be used.

Under the Unit Grant Agreement, "Investor Units" means the units beneficially owned by Silver Lake or any securities (other than Public Investor Securities) received by Silver Lake in respect thereof (other than in a Realization Event).

Under the Unit Grant Agreement, "Marketable Securities" means securities publicly traded on a national securities exchange or the Nasdaq Global Market that (i) are not subject to any of the following: (A) contractual limitations on sale, (B) limitations on sale arising from the need to comply with applicable securities laws relating to insider trading or any insider trading policy of the applicable issuer, or (C) limitations on sale pursuant to securities laws, and (ii) represent, together with all of securities of the applicable issuer held by Silver Lake, not more than 10% of the outstanding shares of such issuer. Under the Unit Grant Agreement, "MOM Percentage" is defined as, with respect to any Realization Event, if: (i) the Aggregate Proceeds divided by the

Cost of Units Transferred equals 2.0 or less, 0%; (ii) the Aggregate Proceeds divided by the Cost of Units Transferred equals 3.0 or greater, 100%; and (iii) if the Aggregate Proceeds divided by the Cost of Units Transferred equals a number that is greater than 2.0 but less than 3.0, a percentage between 0% and 100% to be determined using straight-line linear interpolation.

Under the Unit Grant Agreement, "Public Investor Securities" means securities of Fastball Holdco, L.P. of the class that were issued or sold to the public in connection with a public offering and which are beneficially owned by Silver Lake.

Under the Unit Grant Agreement, "Realization Event" means any transaction or other event in which (i) Investor Units or Public Investor Securities are transferred by any member of Silver Lake to an entity that is not part of Silver Lake for cash or cash equivalents (each such event, a "Cash Liquidity Event"); (ii) Investor Units or Public Investor Securities are distributed by Silver Lake in kind to its partners and/or members (other than to any permitted transferee), (each such event, an "In Kind Distribution"); or (iii) Investor Units or Public Investor Securities are exchanged by Silver Lake for Marketable Securities other than Public Investor Securities (each such event, an "Exchange Realization Event"); provided, that if Investor Units or Public Investor Securities are exchanged by Silver Lake for securities which are not yet Marketable Securities (other than Public Investor Securities), the Exchange Realization Event will occur as and when such securities become Marketable Securities.

Under the Unit Grant Agreement, "Realization Percentage" means, as of the date of a Realization Event, a fraction (expressed as a percentage) determined by dividing (i) the aggregate number of Investor Units (or Public Investor Securities, without duplication) transferred, exchanged or distributed in all Realization Events prior to and including such Realization Event, by (ii) the number set forth in clause (i) of this definition plus the total number of Investor Units (or Public Investor Securities, without duplication) beneficially owned by Silver Lake after giving effect to such Realization Event.

IPO Conversion

Immediately prior to the completion of the IPO, the Company filed an Amended and Restated Certificate of Incorporation, which authorized a total of 1,000,000,000 shares of Common Stock, $0.001 par value per share and 250,000,000 shares of Preferred Stock, par value $0.001 per share. After filing the Amended and Restated Certificate of Incorporation, certain redemptions, exchanges, and conversions were made in connection with the dissolution of Fastball Holdco, L.P., the Company's parent, which occurred prior to the completion of the IPO. All outstanding Class A LP Units, Class B LP Units, and Class C LP Units of Fastball Holdco, L.P were exchanged for 130,000,000 shares of the Company's common stock. Outstanding stock options previously issued by Fastball Holdco, L.P. were converted into 3,865,509 stock options issued by the Company.

Our Named Executive Officers received unvested restricted shares of our common stock in respect of their then-outstanding unvested Class C LP Units, subject to the same time-vesting or performance-vesting schedule that applied to such time-vesting or performance-based vesting Class C LP Units. The following table sets forth the number and value of vested shares of our common stock and unvested restricted shares of our common stock that each of our Named Executive Officers received upon the consummation of the IPO.

Name	Shares of Common Stock Received Upon Exchange of Vested Class C LP Units		Unvested Shares of Restricted Stock Received Upon Replacement of Unvested Class C LP Units	
	#	$	#	$
Scott Staples	230,500	3,457,500	1,947,297	29,209,455
Joseph Jaeger	67,229	1,008,435	567,961	8,519,415
David L. Gamsey	48,020	720,300	405,688	6,085,320

Actions in Connection with the IPO

For each Named Executive Officer, a certain number of Class C LP Units vested based on the achievement of the applicable MOM Percentage threshold due to the sale of a portion of Silver Lake's interests in connection with the IPO, as set forth in the table below:

Name	Number of Performance-Vesting Class C LP Units
Scott Staples	15,025
Joseph Jaeger	4,382
David L. Gamsey	3,130

In addition, in connection with the IPO, we granted to each holder of Class C LP Units, including each of our Named Executive Officers, nonqualified options to purchase shares of our common stock. This option grant was intended to restore to the Class C unitholders the same leverage, or amount of equity at work, that each such Class C unitholder had with respect to their vested and unvested Class C LP Units prior to their conversion into shares of our common stock (for example, if 10,000 Class C LP Units converted into 4,000 shares of common stock, the option grant would need to cover at least 6,000 shares of our common stock) but also covered a number of additional shares of our common stock equal to 25% of the number of shares needed to provide the same leverage, rounded up to the nearest 5,000 shares (so, for example, if 6,000 shares of our common stock is necessary to restore leverage, the option grant would provide for an additional 1,500 shares, for a total of 7,500 shares subject to the option grant). The options were granted pursuant to our 2021 Equity Plan (described below), have a per share exercise price equal to the IPO offering price, have the same vesting terms and conditions as the Class C LP Units from which they were converted (i.e., 50% time-vesting and 50% performance-vesting), and were vested or unvested in the same proportion as the corresponding grant of Class C LP Units was vested and unvested immediately prior to the IPO (for example, if the time-vesting portion of a grant of Class C LP Units was 40% vested immediately prior to the IPO, then the one-half of the option grant subject to time-based vesting was also 40% vested).

The number of nonqualified stock options issued to our Named Executive Officers in connection with the IPO is listed in the table below:

Name	Number of Options
Scott Staples	2,146,004
Joseph Jaeger	628,756
David L. Gamsey	448,030

First Advantage Corporation 2021 Omnibus Incentive Plan

Equity awards under the 2021 Equity Plan are designed to reward our Named Executive Officers and other employees for long-term stockholder value creation. The following summary is qualified in its entirety by reference to the 2021 Equity Plan that was adopted by our board of directors in connection with the IPO.

Purpose

The purpose of the 2021 Equity Plan is 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.

Administration

The 2021 Equity Plan is administered by the compensation committee. The compensation committee is authorized to interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the 2021 Equity Plan and any instrument or agreement relating to, or any award granted under, the 2021 Equity Plan; establish, amend, suspend, or waive any rules and regulations and appoint such agents as the compensation committee deems appropriate for the proper administration of the 2021 Equity Plan; adopt sub-plans; and to make any other determination and take any other action that the compensation committee deems necessary or desirable for the administration of the 2021 Equity Plan. Except to the extent prohibited by applicable law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which our securities are listed or traded, the compensation committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it in accordance with the terms of the 2021 Equity Plan. Unless otherwise expressly provided in the 2021 Equity Plan, all designations, determinations, interpretations, and other decisions under or with respect to the 2021 Equity Plan or any award or any documents evidencing awards granted pursuant to the 2021 Equity Plan are within the sole discretion of the compensation committee, may be made at any time and are final, conclusive and binding upon all persons or entities, including, without limitation, us, any participant, any holder or beneficiary of any award, and any of our stockholders. The compensation committee may make grants of awards to eligible persons pursuant to terms and conditions set forth in the applicable award agreement, including subjecting such awards to performance criteria listed in the 2021 Equity Plan.

Awards Subject to 2021 Equity Plan

The 2021 Equity Plan provides that the total number of shares of common stock that may be issued under the 2021 Equity Plan is 17,525,000 (the “Absolute Share Limit”); however, the Absolute Share Limit is automatically increased 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. No more than 11,285,000 shares of common stock may be issued in the aggregate pursuant to the exercise of incentive stock options. The maximum number of shares of common stock granted during a single fiscal year to any non-employee director, taken together with any cash fees paid to such non-employee director during the fiscal year (in each case, in respect of such non-employee director’s service as a member of the board of directors during such fiscal year), may not exceed $750,000 in total value or $1,000,000 in total value for the fiscal year in which the non-employee director is first appointed to the board of directors. Except for substitute awards (as described below), in the event any award expires or is cancelled, forfeited, or terminated without issuance to the participant of the full number of shares to which the award related, the unissued shares of common stock may be granted again under the 2021 Equity Plan. Awards may, in the sole discretion of the compensation committee, be granted in assumption of, or in substitution for, outstanding awards previously granted by an entity directly or indirectly acquired by us or with which we combine, referred to as substitute awards, and such substitute awards will not be counted against the Absolute Share Limit, except that substitute awards intended to qualify as incentive stock options will count against the limit on incentive stock options described above. No award may be granted under the 2021 Equity Plan after the 10^{th} anniversary of its effective date, but awards granted before then may extend beyond that date.

Options

The compensation committee may grant non-qualified stock options and incentive stock options, under the 2021 Equity Plan, with terms and conditions determined by the compensation committee that are not inconsistent with the 2021 Equity Plan. All options granted under the 2021 Equity Plan are required to have a per share exercise price that is not less than 100% of the fair market value of our common stock underlying such options on the date such options are granted (other than in the case of options that are substitute awards). All options that are intended to qualify as incentive stock options must be granted pursuant to an award agreement expressly stating that the options are intended to qualify as incentive stock options and are subject to the terms and conditions that comply with the rules as may be prescribed by Section 422 of the Code. The maximum term for options granted under the 2021 Equity Plan is 10 years from the initial date of grant, or with respect to any options intended to qualify as incentive stock options, such shorter period as prescribed by Section 422 of the Code. However, if a non-qualified stock option would expire at a time when trading of shares of our common stock is prohibited by our insider trading policy, or blackout period imposed by us, the term will automatically be extended to the 30th day following the end of such period. The purchase price for the shares as to which an option is exercised may be paid to us, to the extent permitted by law, (i) in cash or its equivalent at the time the option is exercised; (ii) in shares having a fair market value equal to the aggregate exercise price for the shares being purchased and satisfying any requirements that may be imposed by the compensation committee (so long as such shares have been held by the participant for at least six months or such other period established by the compensation committee to avoid adverse accounting treatment); or (iii) by such other method as the compensation committee may permit in its sole discretion, including, without limitation, (A) in other property having a fair market value on the date of exercise equal to the purchase price, (B) if there is a public market for the shares at such time, through the delivery of irrevocable instructions to a broker to sell the shares being acquired upon the exercise of the option and to deliver to us the amount of the proceeds of such sale equal to the aggregate exercise price for the shares being purchased or (C) through a “net exercise” procedure effected by withholding the minimum number of shares needed to pay the exercise price. Any fractional shares of common stock are settled in cash.

Stock Appreciation Rights

The compensation committee may grant stock appreciation rights under the 2021 Equity Plan, with terms and conditions determined by the compensation committee that are not inconsistent with the 2021 Equity Plan. The compensation committee may award stock appreciation rights in tandem with options or independent of any option. Generally, each stock appreciation right will entitle the participant upon exercise to an amount (in cash, shares or a combination of cash and shares, as determined by the compensation committee) equal to the product of (i) the excess of (A) the fair market value on the exercise date of one share of common stock, over (B) the strike price per share, times (ii) the number of shares of common stock covered by the stock appreciation right. The strike price per share of a stock appreciation right will be determined by the compensation committee at the time of grant but in no event may such amount be less than 100% of the fair market value of a share of common stock on the date the stock appreciation right is granted (other than in the case of stock appreciation rights granted in substitution of previously granted awards).

Restricted Shares and Restricted Stock Units

The compensation committee may grant restricted shares of our common stock or restricted stock units, representing the right to receive, upon vesting and the expiration of any applicable restricted period, one share of common stock for each restricted stock unit, or, in the sole discretion of the compensation committee, the cash value thereof (or any combination thereof). As to restricted shares of our common stock, subject to the other provisions of the 2021 Equity Plan, the holder will generally have the rights and privileges of a stockholder as to such restricted shares of common stock, including, without limitation, the right to vote such restricted shares of common stock. Participants have no rights or privileges as a stockholder with respect to restricted stock units.

Other Equity-Based Awards and Cash-Based Awards

The compensation committee may grant other equity-based or cash-based awards under the 2021 Equity Plan, with terms and conditions determined by the compensation committee that are not inconsistent with the 2021 Equity Plan.

Effect of Certain Events on 2021 Equity Plan and Awards

In the event of (i) any dividend (other than regular cash dividends) or other distribution (whether in the form of cash, shares of common stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of shares of common stock or other securities, issuance of warrants or other rights to acquire shares of common stock or other securities, or other similar corporate transaction or event that affects the shares of common stock (including a change in control), or (ii) unusual or nonrecurring events affecting the Company, including changes in applicable rules, rulings, regulations or other requirements, that the compensation committee determines, in its sole discretion, could result in substantial dilution or enlargement of the rights intended to be granted to, or available for, participants (any event in (i) or (ii), being referred to as an “Adjustment Event”), the compensation committee will, in respect of any such Adjustment Event, make such proportionate substitution or adjustment, if any, as it deems equitable, to any or all of: (A) the Absolute Share Limit, or any other limit applicable under the 2021 Equity Plan with respect to the number of awards which may be granted thereunder, (B) the number and class of shares of common stock or other securities of the Company (or number and kind of other securities or other property) which may be issued in respect of awards or with respect to which awards may be granted under the 2021 Equity Plan or any sub-plan and (C) the terms of any outstanding award, including, without limitation, (1) the number and class of shares of common stock or other securities of the Company (or number and kind of other securities or other property) subject to outstanding awards or to which outstanding awards relate, (2) the exercise price or strike price with respect to any award, or (3) any applicable performance measures; it being understood that, in the case of any “equity restructuring,” the compensation committee will make an equitable or proportionate adjustment to outstanding awards to reflect such equity restructuring.

In connection with any change in control, the compensation committee may, in its sole discretion, provide for any one or more of the following: (i) a substitution or assumption of awards, or to the extent the surviving entity does not substitute or assume the awards, full acceleration of vesting of, exercisability of, or lapse of restrictions on, as applicable, any awards, provided that (unless the applicable award agreement provides for different treatment upon a change in control) with respect to any performance-vested awards, any such acceleration will be based on (A) the target level of performance if the applicable performance period has not ended prior to the date of such change in control and (B) the actual level of performance attained during the performance period of the applicable performance period has ended prior to the date of such change in control; and (ii) cancellation of any one or more outstanding awards and payment to the holders of such awards that are vested as of such cancellation (including any awards that would vest as a result of the occurrence of such event but for such cancellation) the value of such awards, if any, as determined by the compensation committee (which value, if applicable, may be based upon the price per share of common stock received or to be received by other holders of our common stock in such event), including, in the case of options and stock appreciation rights, a cash payment equal to the excess, if any, of the fair market value of the shares of common stock subject to the option or stock appreciation right over the aggregate exercise price or strike price thereof.

Nontransferability of Awards

Each award is not be transferable or assignable by a participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance will be void and unenforceable against us or any of our subsidiaries. However, the compensation committee may, in its sole discretion, permit awards (other than incentive stock options) to be transferred, including transfers to a participant’s family members, any trust established solely for the benefit of a participant or such participant’s family members, any partnership or limited liability company of which a participant, or such participant and such participant’s family members, are the sole member(s), and a beneficiary to whom donations are eligible to be treated as “charitable contributions” for tax purposes.

Amendment and Termination

The compensation committee may amend, alter, suspend, discontinue, or terminate the 2021 Equity Plan or any portion thereof at any time; but no such amendment, alteration, suspension, discontinuance or termination may be made without stockholder approval if (i) such approval is necessary to comply with any regulatory requirement applicable to the 2021 Equity Plan or for changes in U.S. GAAP to new accounting standards; (ii) it would materially increase the number of securities which may be issued under the 2021 Equity Plan (except for adjustments in connection with certain corporate events); or (iii) it would materially modify the requirements for participation in the 2021 Equity Plan; and any such amendment, alteration, suspension, discontinuance, or termination that would materially and adversely affect the rights of any participant or any holder or beneficiary of any award will not to that extent be effective without such individual's consent.

The compensation committee may, to the extent consistent with the terms of any applicable award agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any award granted or the associated award agreement, prospectively or retroactively (including after a participant's termination). However, except as otherwise permitted in the 2021 Equity Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation, or termination that would materially and adversely affect the rights of any participant with respect to such award will not to that extent be effective without such individual's consent. In addition, without stockholder approval, except as otherwise permitted in the 2021 Equity Plan, (i) no amendment or modification may reduce the exercise price of any option or the strike price of any stock appreciation right; (ii) the compensation committee may not cancel any outstanding option or stock appreciation right and replace it with a new option or stock appreciation right (with a lower exercise price or strike price, as the case may be) or other award or cash payment that is greater than the value of the cancelled option or stock appreciation right; and (3) the compensation committee may not take any other action which is considered a "repricing" for purposes of the stockholder approval rules of any securities exchange or inter-dealer quotation system on which our securities are listed or quoted.

Dividends and Dividend Equivalents

The compensation committee in its sole discretion may provide part of an award with dividends or dividend equivalents, on such terms and conditions as may be determined by the compensation committee in its sole discretion. Unless otherwise provided in the award agreement, any dividend payable in respect of any share of restricted stock that remains subject to vesting conditions at the time of payment of such dividend will be retained by the Company and remain subject to the same vesting conditions as the share of restricted stock to which the dividend relates.

Clawback/Repayment

All awards are subject to reduction, cancellation, forfeiture, or recoupment to the extent necessary to comply with (i) any clawback, forfeiture, or other similar policy adopted by the compensation committee and as in effect from time to time and (ii) applicable law. To the extent that a participant receives any amount in excess of the amount that the participant should otherwise have received under the terms of the award for any reason (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error), the participant will be required to repay any such excess amount to the Company.

First Advantage Corporation 2021 Employee Stock Purchase Plan

The following summary is qualified in its entirety by reference to the ESPP that was adopted by our board of directors in connection with the IPO.

Purpose

The ESPP is intended to give eligible employees an opportunity to acquire shares of our common stock and promote our best interests and enhance our long-term performance. We believe that allowing our employees to participate in the ESPP provides them with a further incentive towards ensuring our success and accomplishing our corporate goals. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code. We may authorize offerings under the ESPP that are not intended to comply with Section 423 of the Code, which offerings will be made pursuant to any rules, procedures or sub-plans adopted by the committee for such purpose.

Authorized Shares

The aggregate number of shares of our common stock that may be issued under the ESPP may not exceed 1,525,000 shares, which number will be automatically increased on the first day of each fiscal year beginning in 2022 in an amount equal to the lesser of (i) 0.75% of the total number of shares of our common stock outstanding on the last day of the immediately preceding fiscal year and (ii) a lower number of shares as determined by our board of directors, subject to adjustment in accordance with the terms of the ESPP. The number of shares of our common stock that may be issued or transferred pursuant to the rights granted under the Section 423 component of the ESPP may not exceed an aggregate of 12,825,000 shares, subject to adjustment in accordance with the terms of the ESPP. If a purchase right expires or is terminated, surrendered, or canceled without being exercised, in whole or in part, the number of shares subject to the purchase right will again be available for issuance and will not reduce the aggregate number of shares available under the ESPP.

Administration

The ESPP is administered by the compensation committee, or such other committee as may be designated by our board of directors (such administering body, the "Administrator"). The Administrator has full authority to make, administer and interpret such terms, rules and regulations regarding administration of the ESPP as it may deem advisable, and such decisions are final and binding.

Term

The ESPP has a term of ten years unless earlier terminated (i) on the date on which all the shares of common stock available for issuance under the ESPP have been issued or (ii) by the Administrator in accordance with the terms of the ESPP.

Eligible Employees

Subject to the Administrator's ability to exclude certain groups of employees on a uniform and nondiscriminatory basis, including Section 16 officers and/or non-U.S. employees, generally, all of our employees are eligible to participate if they are employed by us or any participating subsidiary or affiliate for more than 12 consecutive months, or any lesser number of hours per week and/or number of days established by the Administrator. In October 2021, the Administrator lowered the established service period eligibility from 12 consecutive months to 30 consecutive days. In no event will an employee who is deemed to own 5% or more of the total combined voting power or value of all classes of our capital stock or the capital stock of any parent or subsidiary be eligible to participate in the ESPP, and no participant in the ESPP may purchase shares of our common stock under any employee stock purchase plans of our Company to the extent the option to purchase shares accrue at a rate that exceeds $25,000 of the fair market value of such shares of our common stock, determined as of the first day of the offering period, for each calendar year in which such option is outstanding.

Offering Periods and Purchase Periods

Offering periods under the ESPP are six months long. The first offering period under the ESPP will commence on the date determined by the Administrator and will end on the last trading day on or immediately preceding the earlier to occur of June 30 or December 31 of the year in which the first offering period commences. Unless the Administrator determines otherwise, following the completion of the first offering period, a new offering period will commence on the first trading day on or following January 1 and July 1 of each calendar year and end on or following the last trading day on or immediately preceding June 30 and December 31, respectively, approximately six months later. The Administrator may choose to start a new offering period as it may determine from time to time as appropriate and offering periods may overlap or be consecutive. During each offering period, there will be one six-month purchase period, which will have the same duration and coincide with the length of the offering period.

Purchase Price

Eligible employees who participate will receive an option to purchase shares of our common stock at a purchase price equal to the lower of 85% of (i) the closing price per share of our common stock on the date of purchase or (ii) the closing price per share of our common stock on the first day of the applicable offering period (or, in the case of the first offering period, the price per share at which shares of our common stock are first sold to the public in connection with the IPO). Eligible employees participate by authorizing payroll deductions before the beginning of an offering period, which deduction may not exceed 15% of such employee’s cash compensation.

Contributions and Grants

Eligible employees participate by authorizing payroll deductions before the beginning of an offering period, which deduction may not exceed 15% of such employee’s cash compensation. In addition, the maximum number of shares of our common stock that may be purchased by any participant in any particular purchase period is limited to 1,500 shares (subject to adjustment as provided in the ESPP), and the maximum number of shares of our common stock that may be purchased by any participant during any one year period is limited to 3,000 shares. The Administrator may modify this limit from time to time by resolution or otherwise.

Cancellation of Election to Purchase

A participant may cancel his or her participation entirely at any time prior to the last 30 days of the applicable offering period by withdrawing all, but not less than all, of his or her contributions credited to his or her account and not yet used to exercise his or her option under the ESPP. Participation will end automatically upon termination of employment with us.

Effect of a Change in Control

In the event of a change in control, the Administrator may in its discretion provide, without limitation, that each outstanding option be assumed, or an equivalent option be substituted by the successor corporation or a parent or subsidiary of the successor corporation and, if not so assumed or substituted, the offering period for that option be shortened by setting a new exercise date on which the offering period will end; terminate outstanding options and refund accumulated contributions to participants; or continue outstanding options unchanged.

Rights as Stockholder

A participant will have no rights as a stockholder with respect to the shares of our common stock that the participant has an option to purchase in any offering until those shares have been issued to the participant.

Options not Transferable

A participant’s option under the ESPP will be exercisable only by the participant and may not be sold, transferred, pledged or assigned in any manner other than by will or the laws of descent and distribution.

Amendment or Termination

The Administrator, in its sole discretion, may amend, alter, suspend or terminate the ESPP, or any option subject thereto, at any time and for any reason as long as such amendment or termination of an option does not materially adversely affect the rights of a participant with respect to the option without the written consent of such participant.

Actions in Connection with this Offering and the SLP Distribution

Vesting of Certain Performance-Vesting Restricted Shares and Options

For each Named Executive Officer, a portion of the Restricted Shares (as defined in the Restricted Stock Grant and Agreement) and “Top-Up” Options are subject to performance based vesting conditions. The performance based awards vest based on the MOM Percentage calculated at each Realization Event (as defined in the award agreements). This Follow-On Offering and the SLP Distribution will be considered a Realization Event due to Silver Lake’s sale of a portion of its interests in the Company and its distribution of a portion of its interests in the Company to its partners. As a result, a certain number of these awards will vest, as set forth in the table below, assuming an offering price of $21.05 per share based on the closing sales price of our common stock as reported on Nasdaq on November 5, 2021 for the Follow-On Offering. For purposes of the SLP Distribution, performance based vesting is based on $20.15, the average daily closing price of our common stock as reported on Nasdaq for the ten trading day period ended November 5, 2021.

Name	Number of Performance-Vesting Restricted Shares	Number of Performance-Vesting “Top-Up” Options
Scott Staples	197,707	194,821
Joseph Jaeger	57,664	57,080
David L. Gamsey	41,189	40,673

Other Compensation

Retirement Benefits

We maintain a defined contribution plan (the “401(k) Plan”) for all full-time United States employees, including our Named Executive Officers. The 401(k) Plan is intended to qualify as a tax-qualified plan under Section 401(a) of the Code. Each participant may contribute up to 60% of such participant’s eligible compensation to the 401(k) Plan subject to annual limitations.

Health and Welfare Benefits

We provide various employee benefit programs to our Named Executive Officers, including medical, dental, vision, health savings account, flexible spending accounts, disability insurance, and life and accidental death and dismemberment insurance. These benefit programs are available to all of our U.S. full-time employees. We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices and the competitive market.

No Pension Benefits

Other than with respect to our 401(k) Plan, our employees, including the Named Executive Officers, do not participate in any plan that provides for retirement payments and benefits, or payments and benefits that will be provided primarily following retirement.

No Nonqualified Deferred Compensation

During 2020, our employees, including the Named Executive Officers, did not contribute to, or earn any amounts with respect to, any defined contribution or other plan sponsored by us that provides for the deferral of compensation on a basis that is not tax-qualified.

No Perquisites

We generally do not provide perquisites or personal benefits to our executive officers.

DIRECTOR COMPENSATION

Prior to January 31, 2020, we had three non-employee directors who received cash compensation and grants of stock options (however, no options were granted in 2020). In addition, we had four non-employee directors who were employed by our then sponsors. Since January 31, 2020, three of our directors have been individuals who are employed by Silver Lake, none of whom have been compensated for their service on our board of directors.

The following table contains information concerning the compensation of Messrs. Adams, Domanico and Schriesheim, our non-employee directors in 2020 who were not employed by our sponsors.

Director Compensation Table for 2020

Name	Fees Earned or Paid in Cash ($)(1)	Equity Awards ($)(2)	Total ($)
Dann Adams	4,167	0	4,167
Ronald Domanico	4,167	0	4,167
Robert Schriesheim	2,500	0	2,500

(1) Amounts reflect the aggregate amount of cash retainers paid during 2020.
(2) The above described non-employee directors did not receive any equity award from us in 2020 and on January 31, 2020 forfeited all of their outstanding options such that they did not hold any options or equity awards in the Company on December 31, 2020.

Effective upon the consummation of the IPO, we adopted an annual compensation policy covering each of our non-employee directors. Under this policy, each of our non-employee directors who is not employed by Silver Lake will receive an annual cash retainer of $50,000, payable in arrears, and an annual equity award consisting of restricted stock units valued at approximately $175,000, in each case, with a one-year vesting period. If such individual is not employed by Silver Lake, our Audit Committee Chair and Audit Committee members will also receive an additional retainer of $20,000 and $10,000, respectively; our Compensation Committee Chair and Compensation Committee members will also receive an additional retainer of $15,000 and $7,500, respectively and our Nominating and Corporate Governance Committee Chair and Nominating and Corporate Governance Committee members will receive an additional retainer of $10,000 and $5,000 respectively, in each case to be paid on a quarterly basis in arrears.

In addition, in connection with the IPO, we granted each of our non-employee directors who was not employed by Silver Lake, restricted stock units valued at approximately $225,000, in each case, with a three-year vesting period. We expect to make similar grants to any newly elected or appointed non-employee director who is not employed by Silver Lake.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Transactions with Symphony Technology Group

Prior to the Silver Lake Transaction, we entered into transactions with STG, our then parent company, whereby the Company participated in a health insurance program managed by STG that provided health benefits to Company covered employees. In connection with this arrangement, for the year ended December 31, 2019 and for the period from January 1, 2020 through January 31, 2020, we paid expenses to STG, primarily related to healthcare premiums for Company covered employees included in the STG insurance program, of $6.0 million and $0.0 million, respectively. In January 2020 in connection with the Silver Lake Transaction, we entered into a termination agreement with STG pursuant to which all obligations and liabilities under this arrangement were cancelled.

Prior to the Silver Lake Transaction, we held a loan receivable owed by Symphony Talent, LLC, an affiliate of STG. Such loan receivables aggregated $8.1 million as of each of December 31, 2019 and January 30, 2021 and bore interest at 6.50% per annum. For the year ended December 31, 2019 and for the period from January 1, 2020 through January 31, 2020, we received $0.4 million and $0.0 million of interest related to such loan receivables. In January 2020, in connection with the Silver Lake Transaction, we entered into a debt forgiveness agreement with Symphony Talent, LLC pursuant to which we forgave the loan receivables, including accrued interest and other related receivables. The Company had previously fully impaired these receivables in 2018.

Services Agreement

In connection with the Silver Lake Transaction, we entered into a Services Agreement, dated January 31, 2020, with affiliates of the Sponsor (as amended in connection with the IPO, the “Services Agreement”). Under the Services Agreement, the Sponsor agreed to provide certain services to the Company, including financial and structural analysis, due diligence investigations, corporate strategy and planning and other advice and negotiation assistance, as mutually agreed from time to time by the Sponsor and the Company, and the Company agreed to reimburse the Sponsor for certain expenses. Since the Services Agreement has been in effect, we have reimbursed the Sponsor for approximately $57,000 in expenses. We have not paid any other amounts to the Sponsor under the Services Agreement.

Stockholders’ Agreement

In connection with the IPO, we entered into a stockholders’ agreement with our Sponsor, Workday, Inc. and management stockholders. This agreement grants our Sponsor the right to nominate to our board of directors a number of directors proportionate to the percentage of the issued and outstanding common stock owned by our Sponsor and its affiliates and certain transferees so long as our Sponsor and its affiliates and certain of their transferees own at least 5% of our outstanding common stock. In addition, in the event of a vacancy on the board of directors, our Sponsor, its affiliates and certain transferees who designated such director shall have the right to have the vacancy filled by a new Sponsor director-designee.

In addition, the stockholders’ agreement grants to our Sponsor and its affiliates and certain of their transferees certain governance rights for as long as our Sponsor and its affiliates and certain of their transferees maintain ownership of at least 25% of our outstanding common stock, including rights of approval over change of control transactions, entry into joint ventures or similar business alliance having a fair market value of more than $100 million, incurrence of debt for borrowed money in excess of $100 million, the increase or reduction in the size of our board of directors, the initiation of any liquidation, dissolution, bankruptcy or other insolvency proceeding, appointment or termination of our chief executive officer, or any material change in the nature of our business.

In the stockholders’ agreement, we granted our Sponsor and Workday, Inc. the right to cause us, at our expense, to file registration statements under the Securities Act covering resales of our common stock held by our Sponsor and Workday, Inc. Under the stockholders' agreement, certain holders of registrable securities party thereto are also provided with customary "piggyback" registration rights with certain exceptions.

The stockholders' agreement also requires us to indemnify certain of our stockholders and their affiliates in connection with any registrations of our securities.

The stockholders' agreement imposes significant restrictions on transfers of shares of our common stock held by management stockholders immediately prior to the closing of this offering. Generally, shares are nontransferable by any means, except (i) certain transfers to a management stockholder's estate or trust, (ii) transfers approved by our board of directors, (iii) transfers to us or our designee, (iv) transfers in amounts not to exceed the applicable "catch-up amount" to be determined based on sales of common stock by our Sponsor and (v) pursuant to the proper exercise of piggyback registration rights. Such transfer restrictions terminate upon the earliest of (i) the 18-month anniversary of the closing of this offering, (ii) the first date following the closing of this offering as of which our Sponsor holds less than 25% of our issued and outstanding shares of common stock and (iii) a change of control where the consideration paid includes publicly traded securities.

Agreements with Officers

In addition, we have certain agreement with our officers which are described in the section entitled "Management—Executive Compensation."

Director Indemnification

We have entered into indemnification agreements with our directors, which agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that these indemnification and advancement provisions and insurance are useful to attract and retain qualified directors.

Statement of Policy Regarding Transactions with Related Persons

Our board of directors recognizes the fact that transactions with related persons present a heightened risk of conflicts of interests and/or improper valuation (or the perception thereof). Our board of directors has adopted a written statement of policy regarding transactions with related persons, which we refer to as our "related person policy," that is in conformity with the requirements upon issuers having publicly-held common stock that is listed on Nasdaq.

Our related person policy requires that a "related person" (as defined as in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to our General Counsel, or such other person designated by the Board of Directors, any "related person transaction" (defined as any transaction that we anticipate would be reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds $120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. The General Counsel, or such other person, will then promptly communicate that information to our board of directors. No related person transaction will be executed without the approval or ratification of our board of directors or a duly authorized committee of our board of directors. It is our policy that directors interested in a related person transaction will recuse themselves from any vote on a related person transaction in which they have an interest.

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PRINCIPAL AND SELLING STOCKHOLDERS

The following table contains information about the beneficial ownership of our common stock as of November 5, 2021, (1) immediately prior to the consummation of this Follow-On Offering and (2) as adjusted to reflect the distribution by Silver Lake of approximately 4,659,403 shares to its partners, which is expected to occur after the closing of this Follow-On Offering and the sale of shares of our common stock offered by this prospectus by:

- selling stockholders;
- each individual or entity known by us to beneficially own more than 5% of our outstanding common stock;
- each named executive officer;
- each of our directors; and
- all of our directors and executive officers as a group.

Our calculation of the percentage of beneficial ownership prior to and after the offering is based on 152,875,076 shares of common stock outstanding as of November 5, 2021.

Beneficial ownership and percentage ownership are determined in accordance with the rules and regulations of the SEC. Under SEC rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person's ownership percentage, but not for purposes of computing any other person's percentage. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Except as indicated in the footnotes to the following table or pursuant to applicable community property laws, we believe, based on information furnished to us, that each stockholder named in the table has sole voting and investment power with respect to the shares set forth opposite such stockholder's name.

For further information regarding material transactions between us and certain of our stockholders, see "Certain Relationships and Related Party Transactions."

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Unless otherwise indicated in the footnotes, the address of each of the individuals named below is: c/o First Advantage Corporation, 1 Concourse Parkway NE, Suite 200, Atlanta, Georgia 30328.

Name of Beneficial Owner	Shares beneficially owned prior to the offering		Shares to be sold in the offering		Shares beneficially owned after the offering and the SLP Distribution			
			Excluding exercise of the underwriters' option to purchase additional shares	Including exercise of the underwriters' option to purchase additional shares	Excluding exercise of the underwriters' option to purchase additional shares		Including exercise of the underwriters' option to purchase additional shares	
	Number	Percent	Number	Number	Number	Percent	Number	Percent
Greater than 5% Stockholders:								
SLP Fastball Aggregator, L.P. and affiliated entities[1]	110,734,013	72.4%	13,726,648	15,786,333	92,749,615	60.7%	90,051,054	58.9%
Named Executive Officers and Directors:								
Scott Staples[2]	4,373,370	2.9%	300,973	346,134	4,267,218	2.8%	4,232,863	2.8%
David L. Gamsey[3]	639,805	*	29,070	33,432	651,408	*	649,300	*
Joseph Jaeger[4]	806,001	*	29,576	34,013	833,505	*	832,228	*
Joseph Osnoss[5]	—	—	—	—	99,759[9]	*	114,727[9]	*
Susan R. Bell	—	—	—	—	—	—	—	—
James L. Clark	—	—	—	—	—	—	—	—
John Rudella[5]	—	—	—	—	13,095[9]	*	15,060[9]	*
Judith Sim	—	—	—	—	—	—	—	—
Bianca Stoica[5]	—	—	—	—	6,720[9]	*	7,728[9]	*
All executive officers and directors as a group (10 persons)[6]	5,844,089	3.8%	362,707	417,130	5,908,253	3.9%	5,888,397	3.9%
Other selling stockholders:								
Workday, Inc.[7]	7,190,520	4.7%	891,340	1,025,086	6,299,180	4.1%	6,165,434	4.0%
Other selling stockholders as a group[8]	175,762	*	19,305	21,451	224,670	*	224,404	*

* Less than 1%

(1) Shares beneficially owned prior to the offering represents shares held of record by SLP Fastball Aggregator, L.P. SLP V Aggregator GP, L.L.C. is the general partner of SLP Fastball Aggregator, L.P. Silver Lake Technology Associates V, L.P. is the managing member of SLP V Aggregator GP, L.L.C. SLTA V (GP), L.L.C. is the general partner of Silver Lake Technology Associates V, L.P. Silver Lake Group, L.L.C., is the managing member of SLTA V (GP), L.L.C. The managing members of Silver Lake Group, L.L.C. are Egon Durban, Kenneth Hao, Gregory Mondre, and Joseph Osnoss. The principal business address for each of the entities identified in this paragraph is c/o Silver Lake Group, L.L.C., 2775 Sand Hill Road, Suite 100 Menlo Park, CA 94025. Shares beneficially owned after the offering reflects the consummation of the SLP Distribution and includes shares to be received by affiliated entities of SLP Fastball Aggregator, L.P. in connection with the SLP Distribution.

(2) Includes 1,945,389 shares of unvested restricted stock and 229,016 shares underlying vested options. Shares beneficially owned after completion of the offering also includes (i) an estimated 152,014 shares of performance-based restricted stock and 149,795 shares underlying performance-based options that will vest as a result of this offering, (ii) an estimated 45,693 shares of performance-based restricted stock and 45,026 shares underlying performance-based options that will vest as a result of the SLP Distribution (assuming no exercise of the underwriters' option to purchase additional shares), in each case, assuming an offering price of $21.05 per share based on the closing sales price of our common stock as reported on Nasdaq on November 5, 2021 for the Follow-On Offering, and (iii) if the underwriters' option to purchase

additional shares is exercised in full, an estimated 5,443 shares of performance-based restricted stock and 5,363 shares underlying performance-based options that will vest as a result of this offering. For purposes of the SLP Distribution, performance-based vesting is based on $20.15, the average daily closing price of our common stock as reported on Nasdaq for the ten trading day period ended November 5, 2021.

(3) Includes 405,291 shares of unvested restricted stock and 47,812 shares underlying vested options. Shares beneficially owned after completion of the offering also includes (i) an estimated 31,669 shares of performance-based restricted stock and 31,273 shares underlying performance-based options that will vest as a result of this offering, (ii) an estimated 9,520 shares of performance-based restricted stock and 9,400 shares underlying performance-based options that will vest as a result of the SLP Distribution (assuming no exercise of the underwriters' option to purchase additional shares), in each case, assuming an offering price of $21.05 per share based on the closing sales price of our common stock as reported on Nasdaq on November 5, 2021 for the Follow-On Offering, and (iii) if the underwriters' option to purchase additional shares is exercised in full, an estimated 1,134 shares of performance-based restricted stock and 1,120 shares underlying performance-based options that will vest as a result of this offering. For purposes of the SLP Distribution, performance-based vesting is based on $20.15, the average daily closing price of our common stock as reported on Nasdaq for the ten trading day period ended November 5, 2021.

(4) Includes 567,404 shares of unvested restricted stock and 67,098 shares underlying vested options. Shares beneficially owned after completion of the offering also includes (i) an estimated 44,337 shares of performance-based restricted stock and 43,888 shares underlying performance-based options that will vest as a result of this offering, (ii) an estimated 13,327 shares of performance-based restricted stock and 13,192 shares underlying performance-based options that will vest as a result of the SLP Distribution (assuming no exercise of the underwriters' option to purchase additional shares), in each case, assuming an offering price of $21.05 per share based on the closing sales price of our common stock as reported on Nasdaq on November 5, 2021 for the Follow-On Offering, and (iii) if the underwriters' option to purchase additional shares is exercised in full, an estimated 1,588 shares of performance-based restricted stock and 1,572 shares underlying performance-based options that will vest as a result of this offering. For purposes of the SLP Distribution, performance-based vesting is based on $20.15, the average daily closing price of our common stock as reported on Nasdaq for the ten trading day period ended November 5, 2021.

(5) Mr. Osnoss is a Managing Partner and Managing Member of Silver Lake, Mr. Rudella is a Director of Silver Lake, and Ms. Stoica is a Principal of Silver Lake. The address of each of such persons is c/o Silver Lake Group, L.L.C., 2775 Sand Hill Road, Suite 100 Menlo Park, CA 94025.

(6) Includes 2,918,084 shares of unvested restricted stock and 361,233 shares underlying vested options. Shares beneficially owned after completion of the offering also includes (i) an estimated 228,020 shares of performance-based restricted stock and 236,276 shares underlying performance-based options that will vest as a result of this offering, (ii) an estimated 68,540 shares of performance-based restricted stock and 71,021 shares underlying performance-based options that will vest as a result of the SLP Distribution (assuming no exercise of the underwriters' option to purchase additional shares), in each case, assuming an offering price of $21.05 per share based on the closing sales price of our common stock as reported on Nasdaq on November 5, 2021 for the Follow-On Offering, and (iii) if the underwriters' option to purchase additional shares is exercised in full, an estimated 8,165 shares of performance-based restricted stock and 8,461 shares underlying performance-based options that will vest as a result of this offering. For purposes of the SLP Distribution, performance-based vesting is based on $20.15, the average daily closing price of our common stock as reported on Nasdaq for the ten trading day period ended November 5, 2021.

(7) The address of Workday, Inc. is 6110 Stoneridge Mall Road, Pleasanton, CA 94588.

(8) Shares shown in the table include shares owned by the selling stockholders other than those named in the table that in the aggregate beneficially own less than 1% of our common stock as of November 5, 2021. Shares beneficially owned after completion of the offering also includes (i) an estimated 52,447 shares underlying performance-based options that will vest as a result of this offering, (ii) an estimated 15,766 shares underlying performance-based options that will vest as a result of the SLP Distribution (assuming no exercise of the underwriters' option to purchase additional shares), in each case, assuming an offering price of $21.05 per share based on the closing sales price of our common stock as reported on Nasdaq on November 5, 2021 for the Follow-On Offering, and (iii) if the underwriters' option to purchase additional shares is exercised in full, an estimated 1,880 shares underlying performance-based options that will vest as a result of this offering. For purposes of the SLP Distribution, performance-based vesting is based on $20.15, the average daily closing price of our common stock as reported on Nasdaq for the ten trading day period ended November 5, 2021.

(9) Reflects the shares received from SLP Fastball Aggregator, L.P. in connection with the SLP Distribution.

DESCRIPTION OF CAPITAL STOCK

The following is a description of the material terms of, and is qualified in its entirety by, our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part.

Our purpose is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the DGCL. Our authorized capital stock consists of 1,000,000,000 shares of common stock, par value $0.001 per share, and 250,000,000 shares of preferred stock, par value $0.001 per share. No shares of preferred stock are outstanding and no shares of preferred stock will be issued or outstanding immediately after the offering contemplated by this prospectus. Unless our board of directors determines otherwise, we will issue all shares of our capital stock in uncertificated form.

Common Stock

Holders of our common stock are entitled to one vote for each share held of record on all matters on which stockholders are entitled to vote generally, including the election or removal of directors, subject to certain limitations. The holders of our common stock do not have cumulative voting rights in the election of directors. Upon our liquidation, dissolution or winding up and after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our common stock will be entitled to receive our remaining assets available for distribution on a pro rata basis. Holders of our common stock do not have preemptive, subscription, redemption or conversion rights. The common stock will not be subject to further calls or assessment by us. There will be no redemption or sinking fund provisions applicable to the common stock. All shares of our common stock that will be outstanding at the time of the completion of the offering will be fully paid and non-assessable. The rights, powers, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock we may authorize and issue in the future.

Preferred Stock

Our amended and restated certificate of incorporation authorizes our board of directors to establish one or more series of preferred stock (including convertible preferred stock). Unless required by law or by Nasdaq, the authorized shares of preferred stock are available for issuance without further action by you. Our board of directors will be able to determine, with respect to any series of preferred stock, the terms and rights of that series, including:

1) the designation of the series;

2) the number of shares of the series, which our board of directors may, except where otherwise provided in the preferred stock designation, increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares then outstanding);

3) whether dividends, if any, will be cumulative or non-cumulative and the dividend rate of the series;

4) the dates at which dividends, if any, will be payable;

5) the redemption rights and price or prices, if any, for shares of the series;

6) the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;

7) the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the Company;

8) whether the shares of the series will be convertible into shares of any other class or series, or any other security, of the Company or any other corporation and, if so, the specification of the other class or

series or other security, the conversion price or prices or rate or rates, any rate adjustments, the date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;

9) restrictions on the issuance of shares of the same series or of any other class or series; and

10) the voting rights, if any, of the holders of the series.

We may issue a series of preferred stock that could, depending on the terms of the series, impede or discourage an acquisition attempt or other transaction that some, or a majority, of the holders of our common stock might believe to be in their best interests or in which the holders of our common stock might receive a premium for their common stock over the market price of the common stock. In addition, the issuance of preferred stock may adversely affect the holders of our common stock by restricting dividends on the common stock, diluting the voting power of the common stock or subordinating the liquidation rights of the common stock. As a result of these or other factors, the issuance of preferred stock may have an adverse impact on the market price of our common stock.

Dividends

The DGCL permits a corporation to declare and pay dividends out of "surplus" or, if there is no "surplus," out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. "Surplus" is defined as the excess of the net assets of the corporation over the amount determined to be the capital of the corporation by the board of directors. The capital of the corporation is typically calculated to be (and cannot be less than) the aggregate par value of all issued shares of capital stock. Net assets equal the fair value of the total assets minus total liabilities. The DGCL also provides that dividends may not be paid out of net profits if, after the payment of the dividend, capital is less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets.

Declaration and payment of any dividend will be subject to the discretion of our board of directors. The time and amount of dividends will be dependent upon our financial condition, operations, cash requirements and availability, debt repayment obligations, capital expenditure needs and restrictions in our debt instruments, industry trends, the provisions of Delaware law affecting the payment of dividends to stockholders and any other factors our board of directors may consider relevant.

Anti-Takeover Effects of Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws and Certain Provisions of Delaware Law

Our amended and restated certificate of incorporation, amended and restated bylaws, and the DGCL, which are summarized in the following paragraphs, contain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control and enhance the ability of our board of directors to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these provisions may have an anti-takeover effect and may delay, deter or prevent a merger or acquisition of the Company by means of a tender offer, a proxy contest or other takeover attempt that a stockholder might consider is in its best interest, including those attempts that might result in a premium over the prevailing market price for the shares of common stock held by stockholders.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of Nasdaq, which would apply if and so long as our common stock remains listed on Nasdaq, require stockholder approval of certain issuances equal to or exceeding 20% of the then-outstanding voting power or then-outstanding number of shares of common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital or to facilitate acquisitions.

Our board of directors may issue shares of preferred stock on terms calculated to discourage, delay or prevent a change of control of the Company or the removal of our management. Moreover, our authorized but unissued shares of preferred stock will be available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions or employee benefit plans.

One of the effects of the existence of unissued and unreserved common stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive our stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Classified Board of Directors

Our amended and restated certificate of incorporation provides that our board of directors be divided into three classes of directors, with the classes to be as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our board of directors is elected each year. The classification of directors has the effect of making it more difficult for stockholders to change the composition of our board of directors. Our amended and restated certificate of incorporation and amended and restated bylaws provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by the board of directors.

Business Combinations

We have opted out of Section 203 of the DGCL; however, our amended and restated certificate of incorporation contains similar provisions providing that we may not engage in certain “business combinations” with any “interested stockholder” for a three-year period following the time that the stockholder became an interested stockholder, unless:

- prior to such time, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of holders of at least $66^2/_3$% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a “business combination” includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an “interested stockholder” is a person who, together with that person’s affiliates and associates, owns, or within the previous three years owned, 15% or more of our voting stock. For purposes of this section only, “voting stock” has the meaning given to it in Section 203 of the DGCL.

Under certain circumstances, this provision makes it more difficult for a person who would be an “interested stockholder” to effect various business combinations with a corporation for a three-year period. This provision may encourage companies interested in acquiring the Company to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our board of directors and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Our amended and restated certificate of incorporation provides that the Sponsor and its affiliates and any of their respective direct or indirect transferees and any group as to which such persons are a party do not constitute “interested stockholders” for purposes of this provision.

Removal of Directors; Vacancies

Under the DGCL, unless otherwise provided in our amended and restated certificate of incorporation, directors serving on a classified board may be removed by the stockholders only for cause. Our amended and restated certificate of incorporation and amended and restated bylaws provide that directors may be removed with or without cause upon the affirmative vote of a majority in voting power of all outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class; *provided*, *however*, at any time when the Sponsor and its affiliates beneficially own, in the aggregate, less than 50% of the voting power of then outstanding shares of stock entitled to vote generally in the election of directors, directors may only be removed for cause and only by the affirmative vote of holders of at least $66^2/_3$% in voting power of all the then-outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class. In addition, our amended and restated certificate of incorporation and our amended and restated bylaws also provide that, subject to the rights granted to one or more series of preferred stock then outstanding or the rights granted to the Sponsor under the stockholders’ agreement, any vacancies on our board of directors will be filled only by the affirmative vote of a majority of the remaining directors, even if less than a quorum, by a sole remaining director or by the stockholders; *provided*, *however*, at any time when the Sponsor and its affiliates beneficially own, in the aggregate, less than 50% of the voting power of then outstanding shares of stock entitled to vote generally in the election of directors, any newly created directorship on the board of directors that results from an increase in the number of directors and any vacancy occurring on the board of directors may only be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director (and not by the stockholders).

No Cumulative Voting

Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. Our amended and restated certificate of incorporation does not authorize cumulative voting. Therefore, stockholders holding a majority in voting power of the shares of our stock entitled to vote generally in the election of directors are able to elect all our directors.

Special Stockholder Meetings

Our amended and restated certificate of incorporation provides that special meetings of our stockholders may be called at any time only by or at the direction of the board of directors or the chairman of the board of directors; *provided*, *however*, that the Sponsor and its affiliates are permitted to call special meetings of our stockholders for so long as they hold, in the aggregate, at least 50% of the voting power of then outstanding shares of stock entitled to vote generally in the election of directors. In addition, the notice procedures with respect to special stockholder meetings do not apply to our Sponsor while the stockholders’ agreement is in effect. Our amended and restated bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of the Company.

Requirements for Advance Notification of Director Nominations and Stockholder Proposals

Our amended and restated bylaws establishes advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made as provided in the stockholders’ agreement nor by or at the direction of the board of directors or a committee of the board of directors. In order for any matter to be “properly brought” before a meeting, a stockholder has to comply with advance notice requirements and provide us with certain information. Generally, to be timely, a stockholder’s notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the immediately preceding annual meeting of stockholders. Our amended and restated bylaws also specifies requirements as to the form and content of a stockholder's notice. Our amended and restated bylaws allows the chairman of the meeting at a meeting of the stockholders to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These notice requirements do not apply to the Sponsor and its affiliates for as long as the stockholders' agreement remains in effect. These provisions may defer, delay or discourage a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to influence or obtain control of the Company.

Stockholder Action by Written Consent

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our amended and restated certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation precludes stockholder action by written consent once the Sponsor and its affiliates beneficially own, in the aggregate, less than 50% of the voting power of all outstanding shares of stock entitled to vote generally in the election of directors; provided, however, that any action required or permitted to be taken by the holders of preferred stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate of designation relating to such series of preferred stock.

Supermajority Provisions

Our amended and restated certificate of incorporation and amended and restated bylaws provide that the board of directors is expressly authorized to make, alter, amend, rescind or repeal, in whole or in part, our amended and restated bylaws without a stockholder vote in any matter not inconsistent with the laws of the State of Delaware or our amended and restated certificate of incorporation. For as long as the Sponsor and its affiliates beneficially own, in the aggregate, at least 50% of the voting power of then outstanding shares of stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our amended and restated bylaws by our stockholders will require the affirmative vote of a majority in voting power of the outstanding shares of our stock entitled to vote on such amendment, alteration, change, addition, rescission or repeal and voting together as a single class. At any time when the Sponsor and its affiliates beneficially own, in the aggregate, less than 50% of the voting power of all outstanding shares of stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our amended and restated bylaws by our stockholders will require the affirmative vote of the holders of at least $66^{2}/_{3}$% in voting power of all the then-outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation requires a greater percentage.

Our amended and restated certificate of incorporation provides that once the Sponsor and its affiliates beneficially own, in the aggregate, less than 50% of the voting power of all outstanding shares of stock entitled to vote generally in the election of directors, the following provisions in our amended and restated certificate of incorporation may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least $66\frac{2}{3}$% in the voting power of all outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class:

- the provision requiring a $66^{2/3}$% supermajority vote for stockholders to amend our amended and restated bylaws;

- the provisions providing for a classified board of directors (the election and term of our directors);
- the provisions regarding resignation and removal of directors;
- the provisions regarding competition and corporate opportunities;
- the provisions regarding entering into business combinations with interested stockholders;
- the provisions regarding stockholder action by written consent;
- the provisions regarding calling special meetings of stockholders;
- the provisions regarding filling vacancies on our board of directors and newly created directorships;
- the provisions eliminating monetary damages for breaches of fiduciary duty by a director; and
- the amendment provision requiring that the above provisions be amended only with a $66^2/_3\%$ supermajority vote.

The combination of the classification of our board of directors, the lack of cumulative voting and the supermajority voting requirements makes it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management.

These provisions may have the effect of deterring hostile takeovers, delaying or preventing changes in control of our management or the Company, such as a merger, reorganization or tender offer. These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of the Company. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions are also intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions may also have the effect of preventing changes in management.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders have appraisal rights in connection with a merger or consolidation of us. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Exclusive Forum

Our amended and restated certificate of incorporation provides, subject to limited exceptions, that unless we consent to the selection of an alternative forum, the state or federal courts (as appropriate) located within the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (1) derivative action or proceeding brought on behalf of the Company, (2) action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee or stockholder of the Company to the Company or our stockholders, creditors or other constituents, (3) action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (4) action asserting a claim against the Company or any director or officer of the Company governed by the internal affairs doctrine, in each such case subject to said courts having personal jurisdiction over the indispensable parties named as defendants therein. This provision, however, does not apply to claims brought under the Securities Act or the Exchange Act, and nothing in our amended and restated certificate of incorporation or amended and restated bylaws will preclude stockholders that assert claims under the Securities Act or the Exchange Act, from bringing such claims in state or federal court, subject to applicable law. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation. However, the enforceability of similar forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be unenforceable. Our exclusive forum provision shall not relieve the Company of its duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations. Further, stockholders may not waive their rights under the Exchange Act, including their right to bring suit.

Conflicts of Interest

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors or stockholders. Our amended and restated certificate of incorporation, to the maximum extent permitted from time to time by Delaware law, renounces any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to our officers, directors or stockholders or their respective affiliates, other than those officers, directors, stockholders or affiliates who are our or our subsidiaries' employees. Our amended and restated certificate of incorporation provides that, to the fullest extent permitted by law, any director who is not employed by us (including any non-employee director who serves as one of our officers in both his or her director and officer capacities) or his or her affiliates will not have any duty to refrain from (1) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (2) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that any non-employee director acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for himself or his affiliates or for us or our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our amended and restated certificate of incorporation does not renounce our interest in any business opportunity that is expressly offered to a non-employee director solely in his or her capacity as a director or officer of the Company. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless we would be permitted to undertake the opportunity under our amended and restated certificate of incorporation, we have sufficient financial resources to undertake the opportunity and the opportunity would be in line with our business.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our amended and restated certificate of incorporation includes a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions will be to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation will not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

Our amended and restated bylaws provides that we must generally indemnify, and advance expenses to, our directors and officers to the fullest extent authorized by the DGCL. We also are expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We have entered into indemnification agreements with our directors, which agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that these indemnification and advancement provisions and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Listing

Our common stock is listed on the Nasdaq Global Select Market under the symbol "FA."

SHARES ELIGIBLE FOR FUTURE SALE

Sales of substantial amounts of our common stock in the public market or the perception that such sales might occur may adversely affect market prices of our common stock prevailing from time to time and could impair our future ability to raise capital through the sale of our equity or equity-related securities at a time and price that we deem appropriate. Furthermore, there may be sales of substantial amounts of our common stock in the public market after the existing legal and contractual restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future. See "Risk Factors—Risks Related to this Offering and Ownership of our Common Stock—Future sales, or the perception of future sales, by us or our existing stockholders in the public market following this offering could cause the market price of our common stock to decline."

As of November 5, 2021, we had a total of 152,875,076 shares of our common stock outstanding. Of the outstanding shares, 48,467,502 shares (or 51,338,437 shares if the underwriters exercise in full their option to purchase additional shares) will be freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144, including our directors, executive officers and other affiliates (including our Sponsor), may be sold only in compliance with the limitations described below.

The 97,869,764 shares of common stock held by the Sponsor and our directors and executive officers after this offering and the SLP Distribution, representing 64.0% of the total outstanding shares of our common stock following this offering and the SLP Distribution, will be deemed restricted securities under the meaning of Rule 144 and may be sold in the public market only if registered or if they qualify for an exemption from registration, including the exemptions pursuant to Rule 144 and Rule 701 under the Securities Act, which we summarize below.

Lock-up Agreements

In connection with this offering, we, the selling stockholders, our executive officers, and directors will agree, subject to certain exceptions, not to sell, dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of our common stock, without, in each case, the prior written consent of Barclays Capital Inc. and BofA Securities, Inc., for a period of 60 days after the date of this prospectus. See "Underwriting." In addition, holders of all of our common stock outstanding prior to the IPO agreed not to transfer shares of their common stock, except in certain circumstances, until December 19, 2021. Barclays Capital Inc. and BofA Securities, Inc., representatives of the underwriters of the IPO, have waived certain of such IPO lock-up agreements to permit the filing of this registration statement and the sale of our common stock in this offering. Barclays Capital Inc. and BofA Securities, Inc. have also entered into an amendment to the lock-up agreement with SLP Fastball Aggregator, L.P. to permit the SLP Distribution; *provided* that it shall be a condition to any such transfer to an equityholder of SLP Fastball Aggregator, L.P. and its affiliated entities that (1) is a current employee of Silver Lake Group, L.L.C or any of its affiliates, that such employee is notified of the restrictions from selling, trading or otherwise disposing of shares received by such employee in the SLP Distribution for 30 days after the date of this prospectus or (2) is an entity controlled by or under common control with SLP Fastball Aggregator, L.P. that the transferee agrees to be bound by the terms of a lock-up agreement with the representatives of the underwriters in substantially the form described in the section titled "Underwriting" for 30 days after the date of this prospectus; *provided*, further, that such entities shall be permitted to transfer up to 5% of the shares distributed by SLP Fastball Aggregator, L.P. to the general partners in the SLP Distribution. See the definition of "SLP Distribution" under "Basis of Presentation" for additional information.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person (or persons whose shares are aggregated) who is not deemed to be or have been one of our affiliates for purposes of the Securities Act at any time during 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than an affiliate, is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of a prior owner other than an affiliate, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares of our common stock on behalf of our affiliates, who have met the six month holding period for beneficial ownership of “restricted shares” of our common stock, are entitled to sell upon the expiration of the lock-up agreements described above, within any three-month period beginning 90 days after the effective date of the registration statement for the IPO (September 20, 2021), a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately 1,528,751 shares immediately after this offering; or
- the average reported weekly trading volume of our common stock on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

However, 4,666,186 shares held by certain past and current employees are subject to certain transfer restrictions for 18 months following the consummation of the IPO (December 23, 2022), and generally may only transfer or sell such number of shares on a pro rata basis with any transfer or sale of shares by our Sponsor, as set forth in the stockholders’ agreement. See “Certain Relationships and Related Party Transactions—Stockholders’ Agreement.” Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. The sale of these shares, or the perception that sales will be made, could adversely affect the price of our common stock after this offering because a great supply of shares would be, or would be perceived to be, available for sale in the public market.

We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our common stock, the personal circumstances of the stockholder and other factors.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who received shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of our registration statement on Form S-1 for the IPO can sell such shares 90 days after the effective date of the registration statement for the IPO (September 20, 2021) in reliance on Rule 144, in the case of affiliates, without having to comply with the holding period requirements of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, holding period, volume limitation or notice filing requirements of Rule 144.

Registration Statements on Form S-8

We have filed a registration statement on Form S-8 under the Securities Act to register 19,894,237 shares of stock subject to issuance in connection with outstanding options to purchase Class A units or pursuant to 2021 Equity Plan and the ESPP. Such Form S-8 registration statement automatically became effective upon filing. Accordingly, shares registered under such registration statement are available for sale in the open market.

Registration Rights

For a description of rights that certain of our stockholders have to require us to register the shares of common stock they own, see “Certain Relationships and Related Party Transactions—Stockholders’ Agreement.” Registration of these shares under the Securities Act would result in these shares becoming freely tradable immediately upon effectiveness of such registration.

Following completion of this offering and the Silver Lake Distribution, the shares of our common stock covered by registration rights would represent approximately 60.7% of our outstanding common stock (or 58.9%, if the underwriters exercise in full their option to purchase additional shares). These shares also may be sold under Rule 144, depending on their holding period and subject to restrictions in the case of shares held by persons deemed to be our affiliates.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of certain United States federal income tax consequences of the ownership and disposition of our common stock. This summary deals only with common stock that is held as a capital asset by a non-U.S. holder (as defined below).

A “non-U.S. holder” means a beneficial owner of our common stock (other than an entity or arrangement treated as a partnership for United States federal income tax purposes) that is not, for United States federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below. This summary does not address all of the United States federal income tax consequences that may be relevant to you in light of your particular circumstances, nor does it address the Medicare tax on net investment income, United States federal estate and gift taxes or the effects of any state, local or non-United States tax laws. In addition, it does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws (including if you are a United States expatriate, foreign pension fund, “controlled foreign corporation,” “passive foreign investment company” or a partnership or other pass-through entity for United States federal income tax purposes). We cannot assure you that a change in law will not alter significantly the tax considerations that we describe in this summary.

If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) holds our common stock, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership considering an investment in our common stock, you should consult your tax advisors.

If you are considering the purchase of our common stock, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the ownership and disposition of our common stock, as well as the consequences to you arising under other United States federal tax laws and the laws of any other taxing jurisdiction.

Dividends

In the event that we make a distribution of cash or other property (other than certain pro rata distributions of our stock) in respect of our common stock, the distribution generally will be treated as a dividend for United States federal income tax purposes to the extent it is paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. Any portion of a distribution that exceeds our current and accumulated earnings and profits generally will be treated first as a tax-free return of capital, causing a reduction in the adjusted tax basis of a non-U.S. holder’s common stock, and to the extent the amount of the distribution exceeds a non-U.S. holder's adjusted tax basis in our common stock, the excess will be treated as gain from the disposition of our common stock (the tax treatment of which is discussed below under "—Gain on Disposition of Common Stock").

Dividends paid to a non-U.S. holder generally will be subject to withholding of United States federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-U.S. holder within the United States (and, if required by an applicable income tax treaty, are attributable to a United States permanent establishment) are not subject to the withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to United States federal income tax on a net income basis generally in the same manner as if the non-U.S. holder were a United States person as defined under the Code. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required (a) to provide the applicable withholding agent with a properly executed Internal Revenue Service ("IRS") Form W-BEN or Form W-8BEN-E (or other applicable form) certifying under penalty of perjury that such holder is not a United States person as defined under the Code and is eligible for treaty benefits or (b) if our common stock is held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable United States Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder eligible for a reduced rate of United States federal withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Disposition of Common Stock

Subject to the discussion of backup withholding below, any gain realized by a non-U.S. holder on the sale or other disposition of our common stock generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of the non-U.S. holder);
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a "United States real property holding corporation" for United States federal income tax purposes and certain other conditions are met.

A non-U.S. holder described in the first bullet point immediately above will be subject to tax on the gain derived from the sale or other disposition in the same manner as if the non-U.S. holder were a United States person as defined under the Code. In addition, if any non-U.S. holder described in the first bullet point immediately above is a foreign corporation, the gain realized by such non-U.S. holder may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. An individual non-U.S. holder described in the second bullet point immediately above will be subject to a 30% (or such lower rate as may be specified by an applicable income tax treaty) tax on the gain derived from the sale or other disposition, which gain may be offset by United States source capital losses even though the individual is not considered a resident of the United States.

Generally, a corporation is a "United States real property holding corporation" if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for United States federal income tax purposes). We believe we are not and do not anticipate becoming a "United States real property holding corporation" for United States federal income tax purposes. If we are or become a "United States real property holding corporation," however, so long as our common stock is regularly traded on an established securities market during the calendar year in which the sale or other disposition occurs, only a non-U.S. holder who holds or held (at any time during the shorter of the five year period preceding the date of disposition or the holder's holding period) more than 5% of our common stock will be subject to United States federal income tax on the sale or other disposition of our common stock.

Information Reporting and Backup Withholding

Distributions paid to a non-U.S. holder and the amount of any tax withheld with respect to such distributions generally will be reported to the IRS. Copies of the information returns reporting such distributions and any withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will not be subject to backup withholding on distributions received if such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of our common stock within the United States or conducted through certain United States-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder's United States federal income tax liability provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as "FATCA"), a 30% United States federal withholding tax may apply to any dividends paid on our common stock to (i) a "foreign financial institution" (as specifically defined in the Code and whether such foreign financial institution is the beneficial owner or an intermediary) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a "non-financial foreign entity" (as specifically defined in the Code and whether such non-financial foreign entity is the beneficial owner or an intermediary) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "—Dividends," an applicable withholding agent may credit the withholding under FATCA against, and therefore reduce, such other withholding tax. While withholding under FATCA would also have applied to payments of gross proceeds from the sale or other taxable disposition of our common stock, proposed United States Treasury regulations (upon which taxpayers may rely until final regulations are issued) eliminate FATCA withholding on payments of gross proceeds entirely. You should consult your own tax advisors regarding these requirements and whether they may be relevant to your ownership and disposition of our common stock.

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UNDERWRITING

The Company, the selling stockholders and the underwriters named below will enter into an underwriting agreement with respect to the shares of common stock being offered. Subject to certain conditions, each underwriter will severally agree to purchase the number of shares indicated in the following table. Barclays Capital Inc. and BofA Securities, Inc. are the representatives of the underwriters.

Name	Number of Shares
Barclays Capital Inc.	
BofA Securities, Inc.	
Citigroup Global Markets Inc.	
Evercore Group L.L.C.	
Jefferies LLC	
RBC Capital Markets, LLC.	
Stifel, Nicolaus & Company, Incorporated.	
HSBC Securities (USA) Inc.	
Citizens Capital Markets, Inc.	
KKR Capital Markets LLC	
MUFG Securities Americas Inc.	
Loop Capital Markets LLC	
R. Seelaus & Co., LLC	
Samuel A. Ramirez & Company, Inc.	
Roberts & Ryan Investments, Inc.	
Total	15,000,000

The underwriters will commit to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional 2,250,000 shares of common stock from the selling stockholders. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the public offering price, underwriting discount and proceeds before expenses to the selling stockholders. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares from the selling stockholders.

	Per Share	Without option	With option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds before expenses, to the selling stockholders	$	$	$

Shares sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the public offering price. After the public offering of the shares, the representative may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The Company, the selling stockholders and each of the Company's executive officers and directors, have agreed or will agree with the representatives of the underwriters, subject to certain exceptions, not to offer, sell, contract to sell, pledge, grant any option to purchase, lend or otherwise dispose of, or publicly disclose the intention to make any offer, sale, pledge or disposition of any shares of our common stock, or any options or warrants to purchase any shares of our common stock, or any securities convertible into, exchangeable for, or that represent the right to receive, shares of our common stock, engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call operation, or combination thereof, forward, swap or other derivative transaction or instrument) which is designed to or which could reasonably be expected to lead to or result in a sale, loan, pledge or other disposition or transfer of all or a portion of the economic consequences of ownership of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock during the period from the date of this prospectus continuing through the date 60 days after the date of this prospectus (the "lock-up period"), except with the prior written consent of Barclays Capital Inc. and BofA Securities, Inc.

The restrictions described in the paragraph above relating to the Company do not apply to: (i) the shares of common stock to be sold pursuant to this prospectus, (ii) shares of common stock issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans described in this prospectus, (iii) shares of common stock issued upon the conversion or exchange of convertible or exchangeable securities outstanding as of the date of this prospectus and described herein, (iv) any options or other awards (including without limitation, restricted stock or restricted stock units), or the shares of common stock issued with respect to, or upon the exercise or settlement of, such options and other awards, existing as of the closing of this offering or otherwise granted under the Company's equity plans described in this prospectus, (v) the filing of a registration statement on Form S-8, and the issuance of securities registered thereunder, relating to any benefit plans or arrangements disclosed in this prospectus, (vi) the issuance of shares of common stock in connection with the acquisition of the assets of, or a majority of controlling portion of the equity of, or a business combination or a joint venture with, another entity in connection with such business combination or such acquisition by the Company or any of its subsidiaries of such entity, (vii) any issuance of shares of common stock (including without limitation, restricted stock or restricted stock awards) in connection with joint ventures, commercial relationships or other strategic transactions, provided that the aggregate number of shares issued or issuable pursuant to clauses (vi) and (vii) does not exceed 10% of the number of shares of common stock outstanding immediately after the offering of the common stock pursuant to this prospectus and prior to such issuance, each recipient of any such securities shall execute and deliver to the representatives a lockup agreement.

The restrictions described in the paragraph above relating to the selling stockholders, our executive officers and directors shall be set forth in a lock-up agreement and do not apply to: (i) the pledge, hypothecation or other granting of a security interest in shares of common stock or securities convertible into or exchangeable for common stock to one or more lending institutions as collateral or security for any loan, advance or extension of credit and any transfer upon foreclosure upon such common stock or such securities; (ii) transactions relating to shares of common stock or other securities acquired in this offering or in the open market after the completion of this offering; (iii) bona fide gifts or for bona fide estate planning purposes; *provided* that it shall be a condition to any such transfer that the transferee agrees to be bound by the terms of a lock-up agreement (including, without limitation, the restrictions set forth in the preceding sentence); (iv) gifts, sales, distributions or other dispositions of shares of any class of the Company's capital stock, in each case (A) that are made exclusively between and among the signatory to the lock-up agreement or members of the signatory's family or other dependents, in the case of individuals, or (B) if the signatory is a corporation, partnership, limited liability company, trust or other business entity, (1) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405) of such signatory, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the signatory or affiliates of the signatory (including, for the avoidance of doubt, where the signatory is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (2) as part of a distribution, transfer or disposition to members, partners, shareholders or other equity holders of the signatory; *provided* that it shall be a condition to any such transfer that any transferee agrees to be bound by the terms of a lock-up agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee were a party hereto, and *provided further* that in the case of any transfer or distribution pursuant to clause (B), it shall be a condition to such transfer that no public filing, report or announcement shall be voluntarily made and if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of common stock in connection with such transfer or distribution shall be legally required during the lock-up period, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer; (v) transfers by will or other testamentary document, or intestacy; (vi) if the signatory is a trust, transfers to the grantor or beneficiary of such trust; *provided* that it shall be a condition to any such transfer that the transferee agrees to be bound by the terms of a lock-up agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee were a party hereto; (vii) transfers to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (ii) through (v) above *provided* that it shall be a condition to any such transfer that the transferee agrees to be bound by the terms of a lock-up agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee were a party hereto; (viii) the cashless exercise or surrender of warrants, the conversion of preferred stock or the cashless exercise or surrender of stock options or settlement of restricted stock units or other equity awards granted pursuant to the Company’s stock option/incentive plans or otherwise outstanding on the date of this prospectus; *provided* to the Company, that the restrictions shall apply to shares of common stock issued upon such exercise or conversion; (ix) transfers to the extent necessary to fund the exercise price of options held by the signatory and the payment of taxes due with respect to the exercise, vesting, or lapse of substantial risk of forfeiture or other similar taxable event, of restricted stock, restricted stock units, stock options or other rights to purchase or receive shares of common stock pursuant to the Company’s stock option/equity incentive plans disclosed in this prospectus; (x) transfers to the Company or its subsidiaries upon death, disability or termination of employment of the signatory; (xi) tenders, sales or other transfers pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction made to all holders of shares of common stock involving a “change of control” of the Company (provided that if such transaction is not consummated, shares of the relevant common stock shall remain subject to the restrictions set forth in a lock-up agreement); (xii) transfers pursuant to an order of a court or regulatory agency; provided that any filing under Section 16(a) of the Exchange Act in connection with such transfer shall indicate, to the extent permitted by such section and the related rules and regulations, that such transfer is pursuant to an order of a court or regulatory agency; (xiii) transfers to the Company pursuant to any call or put provisions of existing employment agreements and equity grant documents; provided that any filing under Section 16(a) of the Exchange Act in connection with such transfer shall indicate, to the extent permitted by such section and the related rules and regulations, the reason for such disposition and that such transfer was solely to the Company; (xiv) transfers of Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock pursuant to any contract, instruction or plan that satisfies all of the requirements of Rule 10b5-1 under the Exchange Act (a “Rule 10b5-1 Plan”), or the establishment of a Rule 10b5-1 Plan; *provided*, *however*, that no sales of common stock or securities convertible into, or exchangeable or exercisable for, common stock, shall be made pursuant to a Rule 10b5-1 Plan prior to the expiration of the lock-up period other than pursuant to a Rule 10b5-1 Plan in effect on the date hereof; *provided further*, that the reporting of the establishment of such Rule 10b5-1 Plan is not required in any public report or filing with the SEC under the Exchange Act during the lock-up period and does not otherwise voluntarily effect any such public filing or report regarding such Rule 10b5-1 Plan; (xiv) any demands or requests for, exercises of any right with respect to, or taking of any action in preparation of, the registration by the Company under the Securities Act of shares of common stock, provided that no transfer of such shares registered pursuant to the exercise of any such right and no registration statement shall be filed under the Securities Act with respect to any such shares during the lock-up period and (xv) in the case of SLP Fastball Aggregator, L.P., the SLP Distribution, subject to the provisos set forth in the second succeeding paragraph.

Barclays Capital Inc., and BofA Securities, Inc., in their discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time subject to applicable notice requirements.

For the purposes of this offering, Barclays Capital Inc. and BofA Securities, Inc., solely with respect to the shares being sold in this offering, are waiving the restrictions applicable to the selling stockholders (including Scott Staples, Joseph Jaeger, David L. Gamsey, and Bret T. Jardine, who are officers). In addition, Barclays Capital Inc. and BofA Securities, Inc. have also entered into an amendment to the lock-up agreement with SLP Fastball Aggregator, L.P. to permit the SLP Distribution; *provided* that it shall be a condition to any such transfer to an equityholder of SLP Fastball Aggregator, L.P. and its affiliated entities that (1) is a current employee of Silver Lake Group, L.L.C or any of its affiliates, that such employee is notified of the restrictions from selling, trading or otherwise disposing of shares received by such employee in the SLP Distribution for 30 days after the date of this prospectus or (2) is an entity controlled by or under common control with SLP Fastball Aggregator, L.P. that the transferee agrees to be bound by the terms of a lock-up agreement with the representatives of the underwriters in substantially the form described above for 30 days after the date of this prospectus; *provided*, further, that such entities shall be permitted to transfer up to 5% of the shares distributed by SLP Fastball Aggregator, L.P. to the general partners in the SLP Distribution. See the definition of “SLP Distribution” under “Basis of Presentation” for additional information.

See “Shares Eligible for Future Sale” for a discussion of certain transfer restrictions.

Our common stock is listed on Nasdaq under the symbol “FA.”

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative has repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Company’s stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on Nasdaq, in the over-the-counter market or otherwise.

The selling stockholders will bear all underwriting commissions and discounts related to the offering. The Company estimates that its share of the total expenses of the offering will be approximately $1.9 million. The Company has agreed to reimburse the underwriters for up to $40,000 for legal fees in connection with the review of the offering by FINRA.

The Company and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Company and to persons and entities with relationships with the Company, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors, and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Company. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities, or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

European Economic Area

In relation to each Member State of the European Economic Area (each, a "Relevant State"), no shares of our common stock have been offered (the "Shares") or will be offered pursuant to the offering to the public in that Relevant State, except that the Shares may be offered to the public in that Relevant State at any time:

(a) to any legal entity which is a "qualified investor" as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than "qualified investors" as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or,

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the Shares shall require us or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of us and the representatives and the Company that it is a qualified investor within the meaning of Article 2 of the Prospectus Regulation.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each financial intermediary will also be deemed to have represented, warranted and agreed that the Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public, other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

The Company, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, warranties and agreements.

For the purposes of this provision, the expression "an offer to the public" in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

No Shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom, except that the Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a “qualified investor” as defined under Article 2 of the U.K. Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than “qualified investors” as defined under Article 2 of the U.K. Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (as amended, “FSMA”),

provided that no such offer of the Shares shall require the Company or any underwriter to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the U.K. Prospectus Regulation and each person who initially acquires any Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the underwriters and the Company that it is a qualified investor within the meaning of Article 2 of the U.K. Prospectus Regulation.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the U.K. Prospectus Regulation, each financial intermediary will also be deemed to have represented, warranted and agreed that the Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public, other than their offer or resale in the United Kingdom to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, warranties and agreements.

For the purposes of this provision, the expression “an offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “U.K. Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In the United Kingdom, this prospectus is being distributed only to, and is directed only at, persons who are “qualified investors” (as defined in the U.K. Prospectus Regulation) who are (i) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) persons to whom it would otherwise be lawful to distribute it, all such persons together being referred to as “Relevant Persons”. In the United Kingdom, the Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by any recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this prospectus or its contents.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us or the selling stockholders; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or a trust (which is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 of the SFA except: (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (b) where no consideration is or will be given for the transfer; (c) where the transfer is by operation of law; or (d) as specified in Section 276(7) of the SFA.

Solely for purposes of the notification requirements under Section 309B(1)(c) of the SFA, we have determined, and hereby notify all relevant persons, that the shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), and, accordingly, the securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, the Company or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the “Exempt Investors”) who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York. An investment vehicle comprised of several partners of Simpson Thacher & Bartlett LLP, members of their families, related persons and others own interests representing less than 1% of the capital commitments of funds affiliated with Silver Lake. Certain legal matters relating to this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, Menlo Park, California.

EXPERTS

The consolidated financial statements as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor) and for the year ended December 31, 2019 (Predecessor), for the period from January 1, 2020 through January 31, 2020 (Predecessor), and the period from February 1, 2020 through December 31, 2020 (Successor), included in this Prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 under the Securities Act with respect to the common stock offered by this prospectus with the SEC. This prospectus is a part of the registration statement and does not contain all of the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our common stock, you should refer to the registration statement and its exhibits and schedules. Statements contained in this prospectus regarding the contents of any contract or other document referred to in those documents are not necessarily complete, and in each instance we refer you to the copy of the contract or other document filed as an exhibit to the registration statement or other document. Each of these statements is qualified in all respects by this reference.

We are subject to the informational reporting requirements of the Exchange Act and, in accordance with the Exchange Act, we file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings with the SEC are available to the public on the SEC's website at http://www.sec.gov. Those filings are also available to the public on, or accessible through, our website (www.fadv.com). The information we file with the SEC or contained on or accessible through our corporate website or any other website that we may maintain is not part of this prospectus or the registration statement of which this prospectus is a part.

We intend to make available to our common stockholders annual reports containing consolidated financial statements audited by an independent registered public accounting firm.

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First Advantage Corporation
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of First Advantage Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of First Advantage Corporation (formerly “Fastball Intermediate, Inc.”) and subsidiaries (the “Company”) as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor), the related consolidated statements of operations and comprehensive income (loss), cash flows, changes in members’ (deficit) equity, and changes in stockholders’ equity for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor) and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor), and the results of its operations and its cash flows for the year ended December 31, 2019 (Predecessor), for the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
April 2, 2021 (June 14, 2021 as to the effects of the stock split described in Note 17)

We have served as the Company’s auditor since 2013.

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First Advantage Corporation
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2019 (PREDECESSOR) AND DECEMBER 31, 2020 (SUCCESSOR)

(In thousands, except share and per share data)

	Predecessor December 31, 2019	Successor December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 80,620	$ 152,818
Restricted cash	126	152
Short-term investments	1,326	1,267
Accounts receivable (net of allowance for doubtful accounts of $799 and $967 at December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively)	92,510	111,363
Prepaid expenses and other current assets	7,640	8,699
Income tax receivable	3,681	3,479
Total current assets	185,903	277,778
Property and equipment, net	29,094	190,282
Goodwill	261,590	770,089
Trade name, net	13,224	87,702
Customer lists, net	52,569	435,661
Deferred tax asset, net	985	807
Other assets	1,368	1,372
TOTAL ASSETS	$ 544,733	$ 1,763,691
LIABILITIES AND (DEFICIT) EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 36,342	$ 44,117
Accrued compensation	16,758	18,939
Accrued liabilities	22,764	25,200
Current portion of long-term debt	—	6,700
Income tax payable	1,878	2,451
Deferred revenue	691	431
Total current liabilities	78,433	97,838
Long-term debt (net of deferred financing costs of $11,102 and $26,345 at December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively)	540,839	778,605
Deferred tax liability, net	12,820	86,770
Other liabilities	6,858	6,208
Total liabilities	638,950	969,421
COMMITMENTS AND CONTINGENCIES (Note 13)		
EQUITY:		
Common stock—$0.001 par value; 1,000,000,000 shares authorized; 130,000,000 shares issued and outstanding as of December 31, 2020	—	130
Additional paid-in-capital	—	839,148
Class A units—no par value; 140,000,000 units authorized; 138,714,853 units issued and outstanding as of December 31, 2019	106,090	—

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First Advantage Corporation
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2019 (PREDECESSOR) AND DECEMBER 31, 2020 (SUCCESSOR)

(In thousands, except share and per share data)
(continued)

Class B units—no par value; 7,500,000 units authorized; 1,700,051 units issued and outstanding as of December 31, 2019	2,254	—
Class C units—no par value; 17,500,000 units authorized; 9,271,556 units issued and outstanding as of December 31, 2019	11,524	—
Accumulated deficit	(201,233)	(47,492)
Accumulated other comprehensive (loss) income	(12,852)	2,484
Total (deficit) equity	(94,217)	794,270
TOTAL LIABILITIES AND (DEFICIT) EQUITY	$ 544,733	$ 1,763,691

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

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First Advantage Corporation
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME(LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2019 (PREDECESSOR), THE PERIOD FROM JANUARY 1, 2020 THROUGH JANUARY 31, 2020 (PREDECESSOR), AND FOR THE PERIOD FROM FEBRUARY 1, 2020 THROUGH DECEMBER 31, 2020 (SUCCESSOR)

(In thousands, except share and per share data)

	Predecessor		Successor
	Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020
REVENUES	$ 481,767	$ 36,785	$ 472,369
OPERATING EXPENSES:			
Cost of services (exclusive of depreciation and amortization below)	245,324	20,265	240,287
Product and technology expense	33,239	3,189	32,201
Selling, general, and administrative expense	85,084	11,235	66,864
Depreciation and amortization	25,953	2,105	135,057
Total operating expenses	389,600	36,794	474,409
INCOME (LOSS) FROM OPERATIONS	92,167	(9)	(2,040)
OTHER EXPENSE (INCOME):			
Interest expense	51,964	4,514	47,914
Interest income	(945)	(25)	(530)
Loss on extinguishment of Predecessor debt	—	10,533	—
Transaction expenses, change in control	—	22,370	9,423
Total other expense	51,019	37,392	56,807
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	41,148	(37,401)	(58,847)
Provision for income taxes	6,898	(871)	(11,355)
NET INCOME (LOSS)	$ 34,250	$ (36,530)	$ (47,492)
Foreign currency translation (loss) income	(341)	(31)	2,484
COMPREHENSIVE INCOME (LOSS)	$ 33,909	$ (36,561)	$ (45,008)
NET INCOME (LOSS)	$ 34,250	$ (36,530)	$ (47,492)
Basic and diluted net (loss) per share			$ (0.37)
Weighted average number of shares outstanding—basic and diluted			130,000,000
Basic net income (loss) per unit	$ 0.23	$ (0.24)	
Diluted net income (loss) per unit	$ 0.21	$ (0.24)	
Weighted average number of units outstanding—basic	149,686,460	149,686,460	
Weighted average number of units outstanding—diluted	163,879,766	149,686,460	

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

First Advantage Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019 (PREDECESSOR), THE PERIOD FROM JANUARY 1, 2020 THROUGH JANUARY 31, 2020 (PREDECESSOR), AND FOR THE PERIOD FROM FEBRUARY 1, 2020 THROUGH DECEMBER 31, 2020 (SUCCESSOR)

(In thousands)

	Predecessor		Successor
	Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 34,250	$ (36,530)	$ (47,492)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	25,953	2,105	135,057
Loss on extinguishment of Predecessor debt	—	10,533	—
Amortization of deferred financing costs	3,174	569	3,242
Bad debt expense	88	102	350
Deferred taxes	2,085	(997)	(16,747)
Share-based compensation	1,216	3,976	1,876
(Gain) on foreign currency exchange rates	(110)	(82)	(31)
(Gain) loss on disposal of fixed assets	(23)	8	19
Change in fair value of interest rate swaps	—	—	3,616
Changes in operating assets and liabilities:			
Accounts receivable	(10,964)	9,384	(28,541)
Prepaid expenses and other current assets	9,901	(4,604)	3,561
Other assets	424	(62)	55
Accounts payable	12,760	(8,871)	16,530
Accrued compensation and accrued liabilities	(7,335)	4,102	880
Deferred revenue	(13)	11	(271)
Other liabilities	836	767	826
Income tax receivable and payable, net	(659)	373	(79)
Net cash provided by (used in) operating activities	71,583	(19,216)	72,851
CASH FLOWS FROM INVESTING ACTIVITIES:			
Changes in short-term investments	(1,120)	(163)	257
Proceeds from sale of property and equipment	34	—	—
Purchases of property and equipment	(6,578)	(951)	(5,304)
Capitalized software development costs	(10,125)	(929)	(10,522)
Net cash used in investing activities	(17,789)	(2,043)	(15,569)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on capital lease obligations	(3,176)	(274)	(2,438)
Repayment of Predecessor First Lien Credit Facility	—	(34,000)	—
Repayment of Successor First Lien Credit Facility	—	—	(3,350)
Capital contributions	—	41,143	59,423
Distributions to Predecessor Members and Optionholders	—	(17,991)	(5,834)

First Advantage Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019 (PREDECESSOR), THE PERIOD FROM JANUARY 1, 2020 THROUGH JANUARY 31, 2020 (PREDECESSOR), AND FOR THE PERIOD FROM FEBRUARY 1, 2020 THROUGH DECEMBER 31, 2020 (SUCCESSOR)

(In thousands)
(continued)

Payments of debt issuance costs	—	—	(1,397)
Borrowings on Successor Revolver	—	—	25,000
Repayments of Successor Revolver	—	—	(25,000)
Net cash (used in) provided by financing activities	(3,176)	(11,122)	46,404
EFFECT OF EXCHANGE RATES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(130)	(102)	1,021
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	50,488	(32,483)	104,707
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:			
Beginning of period	30,258	80,746	48,263
Cash, cash equivalents and restricted cash at period end	$80,746	$ 48,263	$152,970
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for income taxes	$ 5,249	$ 279	$ 4,786
Cash paid for interest	55,784	224	41,145
NON-CASH FINANCING ACTIVITIES:			
Capital lease obligations	$ 1,860	$ —	$ —
Non-cash property and equipment additions	651	289	88
Distributions declared to Optionholders but not paid	—	781	—

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

First Advantage Corporation

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' (DEFICIT) EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019 (PREDECESSOR) AND FOR THE PERIOD FROM JANUARY 1, 2020 THROUGH JANUARY 31, 2020 (PREDECESSOR)

(In thousands)

	Class A Units Additional Paid-In Capital	Class B Units Additional Paid-In Capital	Class C Units Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Members' Equity (Deficit)
Predecessor:						
BALANCE—December 31, 2018	$ 106,090	$ 2,213	$ 10,349	$ (235,483)	$ (12,511)	$ (129,342)
Share-based compensation	—	41	1,175	—	—	1,216
Foreign currency translation	—	—	—	—	(341)	(341)
Net income	—	—	—	34,250	—	34,250
BALANCE—December 31, 2019	$ 106,090	$ 2,254	$ 11,524	$ (201,233)	$ (12,852)	$ (94,217)
Share-based compensation	—	50	3,926	—	—	3,976
Capital contribution	34,186	543	6,414	—	—	41,143
Distribution to Optionholders	—	(1,469)	(17,303)	—	—	(18,772)
Foreign currency translation	—	—	—	—	(31)	(31)
Net (loss)	—	—	—	(36,530)	—	(36,530)
BALANCE—January 31, 2020	$ 140,276	$ 1,378	$ 4,561	$ (237,763)	$ (12,883)	$ (104,431)

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

First Advantage Corporation
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM FEBRUARY 1, 2020 THROUGH DECEMBER 31, 2020 (SUCCESSOR)

(In thousands)

	Common Stock	Additional Paid-In-Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Successor:					
BALANCE – February 1, 2020	$ 130	$ 779,596	$ —	$ —	$ 779,726
Share-based compensation	—	1,876	—	—	1,876
Capital contribution	—	59,423	—	—	59,423
Shareholder distribution	—	(1,747)	—	—	(1,747)
Foreign currency translation	—	—	—	2,484	2,484
Net (loss)	—	—	(47,492)	—	(47,492)
BALANCE—December 31, 2020	$ 130	$ 839,148	$ (47,492)	$ 2,484	$ 794,270

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

1. ORGANIZATION, NATURE OF BUSINESS, AND BASIS OF PRESENTATION

Fastball Intermediate, Inc., a Delaware corporation, was formed on November 15, 2019 and subsequently changed its name to First Advantage Corporation in March 2021. Hereafter, First Advantage Corporation and its subsidiaries will collectively be referred to as the “Company”. On January 31, 2020, a fund managed by Silver Lake acquired substantially all of the Company’s equity interests from the Predecessor equity owners, primarily funds managed by Symphony Technology Group (“STG”) (the “Silver Lake Transaction”). For the purposes of the consolidated financial statements, periods on or before January 31, 2020 reflect the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries prior to the Silver Lake Transaction, referred to herein as the Predecessor, and periods beginning after January 31, 2020 reflect the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries as a result of the Silver Lake Transaction, referred to herein as the Successor. As a result of the Silver Lake Transaction, the results of operations and financial position of the Predecessor and Successor are not directly comparable.

The Company derives its revenues from a variety of services to perform background checks across all phases from pre-onboarding to continuous monitoring after the employee, extended worker, volunteer or tenant has been onboarded, and generally classify our service offerings into three categories: pre-onboarding, post-onboarding and other. Pre-onboarding services are comprised of an extensive array of products and solutions that customers typically utilize to enhance their evaluation process and ensure compliance from the time a job or other application is submitted to a successful applicant’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 keep their end customers, workforces and other stakeholders safe, productive and 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. Other includes products that complement our pre-onboarding and post-onboarding products and solutions. This includes fleet / vehicle compliance, tax credits and incentives, resident/tenant screening, and pre-investment screening.

Basis of Presentation —The accompanying 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.

Use of Estimates — The preparation of the 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 revenue and expenses during the reported period. Changes in these estimates and assumptions may have a material impact on the consolidated financial statements and accompanying notes.

Examples of significant estimates and assumptions include valuing assets and liabilities acquired through business combinations; valuing and estimating useful lives of intangible assets; evaluating recoverability of intangible assets, accounts receivable, and capitalized software; estimating future cash flows and valuation-related assumptions associated with goodwill and other asset impairment testing; estimating tax valuation allowances and deferring certain revenues and costs. 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.

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. 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 fair value of an asset is considered to be the price at which the asset could be sold in an orderly transaction between unrelated knowledgeable and willing parties. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, rather than the amount that would be paid to settle the liability with the creditor. Assets and liabilities recorded at fair value are measured using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The carrying amounts of cash and cash equivalents, receivables, short-term debt, 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 long-term debt are disclosed in Note 7.

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 December 31, 2020 (Successor) (in thousands):

	Level 1	Level 2	Level 3
Liabilities			
Interest rate swaps	$ —	$3,615	$ —

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Long-lived assets and other intangible assets are subject to nonrecurring fair value measurement for the assessment of impairment or as the result of business acquisitions. The fair value of these assets were estimated using the present value of expected future cash flows through unobservable inputs (Level 3).

As of December 31, 2020 (Successor), the Company completed its annual assessment of the recoverability of goodwill for our reporting units. The fair values of these reporting units were estimated using the present value of expected future cash flows through unobservable inputs (Level 3).

Cash and Cash Equivalents — The Company considers cash equivalents to be cash and all short-term investments that have an original maturity of ninety days or less. Outstanding checks in excess of funds on deposit are classified as current liabilities in the accompanying consolidated balance sheets. As of December 31, 2019 (Predecessor) and December 31, 2020 (Successor), the Company had no outstanding checks in excess of funds on deposit.

Restricted Cash — Restricted cash represents monies held in trust for a specific purpose as contractually required under the respective arrangement.

Short-Term Investments — Short-term investments represents fixed time deposits having a maturity date within twelve months.

Accounts Receivable — Accounts receivable are due from customers in a broad range of industries located throughout the United States and internationally. Credit is extended based on evaluation of the customer's financial condition, and generally, collateral is not required.

The allowance for all uncollectible receivables is based on a combination of historical data, cash payment trends, specific customer issues, write-off trends, general economic conditions, and other factors. These factors are continuously monitored by management to arrive at the estimate for the amount of accounts receivable that may be ultimately uncollectible. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations, the Company records a specific allowance for doubtful accounts against amounts due in order to reduce the net recognized receivable to the amount it reasonably believes will be collected. The Company believes that the allowance for doubtful accounts at December 31, 2019 (Predecessor) and December 31, 2020 (Successor) is reasonably stated.

Property and Equipment — Property and equipment are recorded at cost. Property and equipment include computer software for internal uses either developed internally, acquired by business combination or otherwise purchased. Software development costs, including internal personnel and third-party professional services, are capitalized during the application development stage of initial development or during development of new features and enhancements. The Company amortizes purchased software using the straight-line method over the estimated useful life of the software and software acquired by business combination on an accelerated basis over its expected useful life of five years. Software development costs not meeting the criteria for capitalization are expensed as incurred.

Depreciation on leasehold improvements is computed on the straight-line method over the shorter of the life of the asset, or the lease term, ranging from one to fifteen years. Depreciation on data processing equipment and furniture and equipment is computed using the straight-line method over their estimated useful lives ranging from three to ten years.

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 the trade names, customer lists, and software developed for internal use, 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.

Goodwill, Trade Name, and Customer Lists — The Company tests goodwill for impairment annually as of December 31 or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying value.

Goodwill is tested for impairment at the reporting unit level using a fair value approach. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value, a "Step 0" analysis. If, based on a review of qualitative factors, it is more likely than not that the fair value of a reporting unit is less than its carrying value we perform "Step 1" of the goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. The Company determines the fair value of a reporting unit by estimating the present value of expected future cash flows, discounted by the applicable discount rate. If the carrying value exceeds the fair value, the Company measures the amount of impairment loss, if any, by comparing the implied fair value of the reporting unit goodwill with its carrying amount, the "Step 2" analysis. No impairment charges have been required.

During the Predecessor period the Company's trade name had an indefinite life and was not amortized. The Company evaluated indefinite-lived intangible assets for impairment annually as of December 31 or more frequently if an event occurred or circumstances changed that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying value. No impairments were required.

Subsequent to the Silver Lake Transaction, the Company's trade name is amortized on an accelerated basis over its expected useful life of twenty years. No amortization expense was recorded for the year ended December 31, 2019 (Predecessor) and for the period from January 1, 2020 through January 31, 2020 (Predecessor). The Company recorded $7.5 million of amortization expense related to the trade name for the period from February 1, 2020 through December 31, 2020 (Successor).

Customer lists are amortized on an accelerated basis based upon their estimated useful lives, ranging from seven to fourteen years during the Predecessor period and fourteen years in the Successor period. In the Predecessor period, the weighted-average amortization period of customer lists was 13.3 years. The Company recorded $11.1 million, $0.8 million, and $65.2 million of amortization expense related to customer lists for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively.

The Company regularly evaluates the amortization period assigned to each intangible asset to ensure that there have not been any events or circumstances that warrant revised estimates of useful lives. In December 2020, the Company determined that there had been no triggering events that would require impairment of trade names or customer lists.

Income Taxes — Prior to the Silver Lake Transaction, the Company was not a taxable entity. However, the Company's wholly owned, C-corporation subsidiaries were taxable entities. Accordingly, the Company has followed ASC 740, *Income Taxes*, which provides for income taxes using the liability method, which requires an asset and liability based approach in accounting for income taxes for all periods presented. Deferred income taxes reflect the net tax effect on future years of temporary differences in the carrying amount of assets and liabilities between financial statements and income tax purposes. Valuation allowances are established when the Company determines that it is more likely than not that some portion or the entire deferred tax asset will not be realized. The Company evaluates its effective tax rates regularly and adjusts them when appropriate based on currently available information relative to statutory rates, apportionment factors and the applicable taxable income in the jurisdictions in which the Company operates, among other factors.

The Company calculates additional tax provisions, where applicable, related to accounting for uncertainty in income taxes, which prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest benefit that has a greater than 50% likelihood of being realized upon settlement. The Company adjusts its estimates of uncertain tax positions periodically because of ongoing examinations by, and settlements with, various taxing authorities, as well as changes in tax laws, regulations, and interpretations. The Company classifies interest and penalties associated with its unrecognized tax benefits as a component of income tax expense (see Note 9).

Impairment of Long-Lived Assets — The Company regularly evaluates whether events and circumstances have occurred that indicate the carrying amount of property and equipment and finite-life intangible assets may not be recoverable. Conditions that could indicate an impairment assessment is needed include a significant decline in the observable market value of an asset or asset group, a significant change in the extent or manner in which an asset or asset group is used, or a significant adverse change that would indicate that the carrying amount of an asset or asset group is not recoverable. When factors indicate that these long-lived assets or asset groups should be evaluated for possible impairment, the Company assesses the potential impairment by determining whether the carrying value of such long-lived assets or asset groups will be recovered through the future undiscounted cash flows expected from use of the asset or asset group and its eventual disposition. If the carrying amount of the asset or asset group is determined not to be recoverable, an impairment charge is recorded based on the excess, if any, of the carrying amount over fair value. Fair values are determined based on quoted market values or discounted cash flows analyses as applicable. The Company regularly evaluates whether events and circumstances have occurred that indicate the useful lives of property and equipment and finite-life intangible assets may warrant revision. The Company determined the carrying values of its long-lived assets were not impaired as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor).

Advertising Costs — Advertising costs are expensed as incurred and are included in selling, general and administrative expense in the accompanying consolidated statements of operations and comprehensive income (loss). Advertising costs were $1.8 million, $0.1 million, and $0.6 million for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively.

Derivative Instruments — The Company is exposed to certain risks relating to its ongoing business operations and mitigates interest rate risk through the use of derivative instruments. Interest rate swaps have been entered into to manage a portion of the interest rate risk associated with the Company's variable-rate borrowings.

In accordance with ASC 815, *Derivatives and Hedging*, the derivative instruments are recognized and subsequently measured on the balance sheet at fair value. The Company reviewed its interest rate swaps and determined they do not meet the definition of cash flow hedges. Therefore, the guidance requires that the change in fair value of the interest rate swaps be recognized as a component of income or expense in the consolidated statements of operations and comprehensive income (loss) (see Note 8).

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. Substantially all of the Company's cash and cash equivalent balances were deposited with financial institutions which management has determined to be high credit quality institutions. Accounts receivable represent credit granted to customers for services provided.

In February 2020, the Company entered into an interest rate collar agreement with a counterparty bank in order 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.

The Company did not have any customers which represented 10% of its consolidated revenues for the year ended December 31, 2019 (Predecessor) or during the period from January 1, 2020 through January 31, 2020 (Predecessor). The Company had one customer which represented approximately 12% of its consolidated revenues during the period from February 1, 2020 to December 31, 2020 (Successor). No other customer represented 10% or more of its revenue for the period. Additionally, the Company did not have any customers which represented 10% or more of its consolidated accounts receivable, net for any period presented.

Revenue Recognition — Revenues are recognized when control of the Company's services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. In accordance with ASC 606, *Revenue from Contracts with Customers*, which was adopted as of January 1, 2019 using the modified retrospective method, revenues are recognized based on the following steps:

a. Identify the contract with a customer

b. Identify the performance obligations in the contract

c. Determine the transaction price

d. Allocate the transaction price to the performance obligations in the contract

e. Recognize revenue when (or as) the entity satisfies a performance obligation

A substantial majority of the Company's revenues are derived from pre-onboarding and related services to our customers on a transactional basis, in which an individual background screening package or selection of services is ordered by a customer related to a single individual. Substantially all of the Company's customers are employers, staffing or related businesses. The Company satisfies its performance obligations and recognizes revenues for services rendered as the orders are completed and the completed reports are transmitted, or otherwise made available. The Company's remaining services, substantially consisting of tax consulting, fleet management and driver qualification services, are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure the Company's performance 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 are recognized utilizing the right to invoice expedient resulting in revenue 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. Due to the Company's contract terms and the nature of the background screening industry, the Company determined its contract terms for ASC 606 purposes are less than one year. As a result, the Company uses the practical expedient which allows it to expense incremental costs of obtaining a contract, primarily consisting of sales commissions, as incurred.

The Company records third-party pass-through fees incurred as part of screening related services on a gross revenue basis, with the related expense recorded as a third-party records expense, as the Company has control over the transaction and is therefore considered to be acting as a principal. The Company records motor vehicle registration and other tax payments paid on behalf of the Company's fleet management clients on a net revenue basis as the Company does not have control over the transaction and therefore is considered to be acting as an agent of the customer.

Contract balances are generated when the revenue 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 revenue than what has been billed. Contract assets are included in accounts receivable in the accompanying 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 revenue when the Company has an obligation to perform services for a customer in the future and has already received consideration from the customer. Contract liabilities are included in deferred revenue in the accompanying consolidated balance sheets.

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 revenue 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 members' equity. Gains or losses resulting from foreign currency transactions are included in the accompanying consolidated statements of operations and comprehensive income (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 losses included in the accompanying consolidated statements of operations and comprehensive income (loss) were approximately $0.3 million, $0.1 million, and ($0.3) million for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively. Currency translation (loss) income included in accumulated other comprehensive (loss) income were approximately ($0.3) million, ($0.0) million, and $2.5 million for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively.

Share-based Compensation — Prior to the Silver Lake Transaction, all share-based awards were issued to employees under the STG-Fairway Holdings, LLC Equity Incentive Plan ("Predecessor Plan"). As a result of the Silver Lake Transaction, this plan was dissolved as of the transaction date. After the Silver Lake Transaction, all share-based awards are issued by a parent of the Company under individual grant agreements and the partnership agreement (collectively the "Successor Plan"). Both plans were designed with the intention of promoting the long-term success of the Company by attracting, motivating, and retaining key employees of the Company. A total of approximately 8.4 million units are available for issuance under the Successor Plan. The Company accounts for awards issued under both plans in accordance with ASC 718, Compensation — Stock Compensation. Management expects to allow its employees granted awards under the Successor Plan to bear the risks and rewards normally associated with equity ownership for a reasonable period of time when all requisite vesting requirements have been rendered. The Company has the ability to determine how to settle awards granted under the Successor Plan. Awards issued under the Successor plan are callable by the issuing parent. As of December 31, 2020, no awards have been called and the Company has not deemed it probable that awards will be called in the future. Therefore, the related share-based awards are classified as equity.

The calculation of share-based employee compensation expense involves estimates that require management's judgment. These estimates include the fair value of each of the share-based awards granted, which is estimated on the date of grant using a Black-Scholes option-pricing model. There are four inputs into the Black-Scholes option-pricing model: expected volatility, risk-free interest rates, expected term, and estimated fair value of the underlying unit. The Company estimates expected volatility based on an analysis of guidelines of publicly traded peer companies' historical volatility. The risk-free interest rate is based on the treasury constant maturities rate based on data published by the U.S. Federal Reserve. The expected term of share-based awards granted is derived from historical exercise experience under the Company's share-based plans and represents the period of time that awards granted are expected to be outstanding. Because of the limitations on the sale or transfer of our equity as a privately held company and a lack of historical option exercises, the Company does not believe our historical exercise pattern is indicative of the pattern we will experience in future periods. The Company has consequently used the simplified method to calculate the expected term, which is the average of the contractual term and vesting period, and plans to continue to use simplified method until we have sufficient exercise and pricing history. Finally, the estimated fair value of a unit was determined using either the Silver Lake Transaction valuation or a blend of income and market approaches.

The assumptions used in calculating the fair value of share-based payment awards represent management's best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, share-based compensation expenses could be materially different in the future. In addition, for awards with a service condition, the Company has elected to account for forfeitures as they occur. Therefore, the Company will reverse compensation costs previously recognized when an unvested award is forfeited. For awards with a performance condition, the Company is required to estimate the expected forfeiture rate, and only recognize expenses for those shares expected to vest. The Company estimates the expected forfeiture rate based on the Company's historical data, grant terms and anticipated plan participant turnover. If the Company's actual forfeiture rate is materially different from its estimate, the share-based compensation expense could be significantly different from what the Company has recorded in the current period. There were no grants made during the year ended December 31, 2019 (Predecessor) or the period from January 1, 2020 through January 31, 2020 (Predecessor).

Comprehensive Income (Loss) — Comprehensive income (loss) includes gains and losses from foreign currency translation adjustments, net.

Net Income (Loss) Per Share of Equity — Basic and diluted net income (loss) per unit (Predecessor) and basic net (loss) per share (Successor) are computed by dividing net income (loss) by the weighted average number of common units or shares outstanding during the period. Diluted net income (loss) per unit (Predecessor) and diluted net (loss) per share (Successor) is computed by dividing net income (loss) by the weighted average number of units or shares outstanding during the period after adjusting for the impact of securities that would have a dilutive effect on net income (loss) per unit or share. The Company uses the treasury stock method to incorporate potentially dilutive securities in diluted net income (loss) per unit or share.

For the year ended December 31, 2019 (Predecessor) and the period from January 1, 2020 through January 31, 2020 (Predecessor), the Company had Class B options, Class C options, and Class C RSUs issued under the Predecessor Plan. The potentially dilutive securities outstanding during the year ended December 31, 2019 (Predecessor) had a dilutive effect and were included in the calculation of diluted net income per unit for the period. The potentially dilutive securities outstanding during the period ended January 31, 2020 (Predecessor) had an anti-dilutive effect and were therefore not included in the calculation of diluted net (loss) per unit for the period. The Company did not have any potentially dilutive securities for the period from February 1, 2020 through December 31, 2020 (Successor).

Recent Accounting Pronouncements — The Company qualifies as an emerging growth company under the Jumpstart Our Business Startups ("JOBS") Act. The JOBS Act permits the Company an extended transition period for complying with new or revised accounting standards affecting public companies. The Company has elected to use this extended transition period and adopt certain new accounting standards on the private company timeline, which means that the Company's financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards on a non-delayed basis. The Company has elected the extended transition period for the adoption of the Accounting Standards Updates ("ASU") below, except those where early adoption was both permitted and elected.

In February 2016, the FASB issued ASU 2016-02, *Leases*, and subsequently issued additional ASUs amending this ASU (collectively ASC 842, *Leases*) which amends various aspects of existing guidance for leases. This guidance requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases, along with additional qualitative and quantitative disclosures. The effective date of the new standard is extended to fiscal years beginning after December 15, 2021, with early adoption being permitted. The Company will adopt this guidance in 2022 but has not determined which transition method will be utilized. The Company expects the adoption of the new standard to have a material effect on the consolidated financial statements upon adoption. While the Company continues to assess all of the effects of the adoption, it currently believes the most significant effects relate to the recognition of new right-of-use ("ROU") assets and lease liabilities on the consolidated balance sheets for operating leases, as well as providing significant new disclosures about leasing activities.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments*, which changes the way companies evaluate credit losses for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use new forward-looking expected loss model to evaluate impairment, potentially resulting in earlier recognition of allowances for losses. Enhanced disclosures are also required, including the requirement to disclose the information used to track credit quality by year or origination for most financing receivables. The new standard is effective for fiscal years beginning after December 15, 2022. The Company will adopt this guidance in 2023, and does not expect adoption to have a material impact on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*, which requires that issuers follow the internal-use software guidance in ASC 350-40 to determine which costs to capitalize as assets or expense as incurred. This guidance is effective for fiscal years beginning after December 15, 2020, with early adoption being permitted. The Company will adopt this guidance in 2021, and does not expect adoption to have a material impact on its consolidated financial statements in the near term. However, if the company enters into material new cloud computing arrangements in the future, this standard will impact the accounting for those arrangements which may have a material effect on future results.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. This ASU removes specific exceptions to the general principles in Topic 740. Among other things it eliminates the need for an organization to analyze whether the following apply in a given period: exception to the incremental approach for intra-period tax allocation; exceptions to accounting for basis differences when there are ownership changes in foreign investments; and exception in interim period income tax accounting for year-to-date losses that exceed anticipated losses. This amendment also improves financial statement preparers' application of income tax-related guidance and simplifies GAAP for: franchise taxes that are partially based on income; transactions with a government that result in a step up in the tax basis of goodwill; separate financial statements of legal entities that are not subject to tax; and enacted changes in tax laws in interim periods. This guidance is effective for annual reporting periods beginning after December 15, 2021, including interim periods therein. The Company will adopt this guidance in 2022, and does not expect adoption to have a material impact on its consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and in January 2021 issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope*. These ASUs provide temporary optional expedients and exceptions to existing guidance on contract modifications and hedge accounting to facilitate the market transition from existing reference rates, such as the London Inter-bank Offered Rate ("LIBOR") which is being phased out beginning at the end of 2021, to alternate reference rates, such as the Secured Overnight Financing Rate ("SOFR"). These standards were effective upon issuance and allowed application to contract changes as early as January 1, 2020. These provisions may impact the Company as contract modifications and other changes occur during the LIBOR transition period. The Company continues to evaluate the optional relief guidance provided within these ASUs, has reviewed its debt securities, bank facilities, and derivative instruments and continues to evaluate commercial contracts that may utilize LIBOR as the reference rate. The Company will continue its assessment and monitor regulatory developments during the LIBOR transition period.

Recently Adopted Accounting Pronouncements — In 2020, the Company adopted ASU 2018-13, *Fair Value Measurement: Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*, which eliminates, adds, and modifies certain disclosure requirements for fair value measurements as part of its disclosure framework project. Since ASU 2018-13 is disclosure-related only, the adoption of this standard did not have a material impact on the Company's consolidated financial statements.

3. SILVER LAKE TRANSACTION

On January 31, 2020, a fund managed by Silver Lake acquired substantially all of the Company's equity interests for approximately $1,576.0 million. A portion of the consideration was derived from members of the management team contributing an allocation of their Silver Lake Transaction proceeds. As part of the Silver Lake Transaction, the Predecessor Credit Facilities were all repaid in full at closing and a new financing structure was executed (see Note 7).

Silver Lake accounted for the Silver Lake Transaction as a business combination under ASC 805 and elected to apply pushdown accounting to the Company.

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

Consideration	
Cash, net of cash acquired	$ 1,556,810
Rollover management equity interests	19,148
Total fair value of consideration transferred	$ 1,575,958
Current assets	$ 145,277
Property and equipment, including software developed for internal use	236,775
Trade name	95,000
Customer lists	500,000
Deferred tax asset	106,327
Other assets	1,429
Current liabilities	(71,496)
Deferred tax liability	(198,535)
Other liabilities	(6,616)
Total identifiable net assets	$ 808,161
Goodwill	$ 767,797

Goodwill recognized in the Silver Lake Transaction is primarily attributable to assembled workforce and the expected growth of the Company, and a significant portion of goodwill is not deductible for tax purposes.

Costs incurred by the Company related to the Silver Lake Transaction were primarily composed of deferred financing costs associated with the new financing structure which have been capitalized within long-term debt in the accompanying consolidated balance sheets (see Note 7) and approximately $31.8 million of closing costs which have been recorded in transaction expenses, change in control in the accompanying consolidated statements of operations and comprehensive income (loss). Seller related costs were recorded as transaction expenses in the Predecessor, Silver Lake related costs were pushed down to the Company in the Successor period.

Pro Forma Results (Unaudited)

The following summary, prepared on a pro forma basis pursuant to ASC 805, presents the Company's unaudited consolidated results of operations for the years ended December 31, 2019 and 2020 as if the Silver Lake Transaction had been completed on January 1, 2019. 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 attributable to the Silver Lake Transaction. 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 Silver Lake Transaction been consummated as of January 1, 2019.

(in thousands)	Years ended December 31, 2019 (Unaudited)	Years ended December 31, 2020 (Unaudited)
Revenue	$ 481,767	$ 509,154
Net (loss)	$ (56,549)	$ (43,627)

4. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor) consisted of the following (in thousands):

Predecessor:	
Balance – December 31, 2018	$ 1,004
Additions	341
Write-offs, net of recoveries	(253)
Foreign currency translation	(293)
Balance – December 31, 2019	$ 799
Additions	109
Write-offs, net of recoveries	(6)
Foreign currency translation	2
Balance – January 31, 2020	$ 904
Successor:	
Balance – February 1, 2020	$ —
Additions	1,263
Write-offs, net of recoveries	(10)
Foreign currency translation	(286)
Balance – December 31, 2020	$ 967

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor) consisted of the following (in thousands):

	Predecessor December 31, 2019	Successor December 31, 2020
Furniture and equipment	$ 46,639	$ 15,214
Capitalized software for internal use, acquired by business combination	81,800	220,000
Capitalized software for internal use, developed internally or otherwise purchased	56,607	14,438
Leasehold improvements	5,204	2,402
Total property and equipment	190,250	252,054
Less: accumulated depreciation and amortization	(161,156)	(61,772)
Property and equipment, net	$ 29,094	$ 190,282

Depreciation and amortization expense of property and equipment was approximately $14.9 million, $1.3 million, and $62.3 million for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively.

6. GOODWILL, TRADE NAME, AND CUSTOMER LISTS

The changes in the carrying amount of goodwill for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020, through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor) were as follows (in thousands):

Predecessor:	
Balance – December 31, 2018	$261,583
Foreign currency translation	7
Balance – December 31, 2019	$261,590
Foreign currency translation	(61)
Balance – January 31, 2020	$261,529
Successor:	
Balance – February 1, 2020	$767,797
Foreign currency translation	2,292
Balance – December 31, 2020	$770,089

The following summarizes the gross carrying value and accumulated amortization for the Company's trade name and customer lists as of December 31 (in thousands):

	2019 (Predecessor)			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Useful Life (in years)
Trade name	$ 13,224	$ —	$ 13,224	Indefinite
Customer lists	158,279	(105,710)	52,569	7-14 years
Total	$ 171,503	$ (105,710)	$ 65,793	

	2020 (Successor)			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Useful Life (in years)
Trade name	$ 95,230	$ (7,528)	$ 87,702	20 years
Customer lists	501,210	(65,549)	435,661	14 years
Total	$ 596,440	$ (73,077)	$ 523,363	

Amortization expense of trade name and customer lists was approximately $11.1 million, $0.8 million, and $72.7 million for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively.

Amortization expense relating to trade name and customer lists is expected to be as follows (in thousands):

Years Ending December 31,	
2021	$ 72,921
2022	66,184
2023	59,672
2024	53,759
2025	47,662
Thereafter	223,165
	$ 523,363

7. LONG-TERM DEBT

Predecessor

The fair value of the Company's long-term debt obligations approximate their book value as of December 31, 2019 (Predecessor) and consisted of the following (in thousands):

	Predecessor December 31, 2019
Predecessor First Lien Facility	$ 401,941
Predecessor Second Lien Facility	150,000
Total debt	551,941
Less: Current portion of long-term debt	—
Total long-term debt	551,941
Less: Deferred financing costs	(11,102)
Long-term debt, net	$ 540,839

In June 2015, the Company entered into two secured credit facilities (collectively, the "Predecessor Credit Facilities"). The Predecessor Credit Facilities consisted of a First Lien Credit Agreement ("Predecessor First Lien Facility") and a Second Lien Credit Agreement ("Predecessor Second Lien Facility"), which were placed with a syndicate of institutional lenders and financial institutions. The Predecessor First Lien Facility provided financing in the form of a $485.0 million term loan, which carried an interest rate of 5.25% plus the LIBOR, with a floor of 1.00%, due June 30, 2022. Beginning with the year ended December 31, 2016, the Predecessor First Lien Facility required mandatory payments based on calculated excess cash flow, as defined within the Predecessor First Lien Credit Agreement. For the one month period ended January 31, 2020 and for the year ended December 31, 2019, no payments were due related to the excess cash flow calculation. The Predecessor First Lien Facility also provided a $50 million revolving credit facility ("Predecessor Revolver"), which carried an interest rate of 5.25% plus LIBOR, due June 30, 2020. The Predecessor Second Lien Facility was due June 30, 2023 and provided financing in the form of a $150.0 million term loan which carried an interest rate of 9.25% plus LIBOR, with a floor of 1.00%. There were no scheduled principal payments under the Predecessor Second Lien Facility through maturity. The Predecessor Credit Facilities were secured by substantially all assets and capital stock owned by direct and indirect domestic subsidiaries and was governed by certain restrictive covenants including limitations on indebtedness, liens, and among other things investments and acquisitions. In the event the Company's outstanding indebtedness under the Predecessor Revolver exceeded 20% of the committed revolving line of credit, it was required to maintain a consolidated net leverage ratio of 5.25 to 1. As of December 31, 2019 and January 31, 2020, the Company did not exceed borrowings of $10.0 million (20% of the committed revolving line of credit) under the Predecessor Revolver, and therefore was not subject to the consolidated net leverage ratio covenant and was compliant with all other covenants under the Predecessor Credit Facilities.

In January 2020, prior to the Silver Lake Transaction, the Company repaid $34.0 million of the Predecessor First Lien Facility, and the remaining Predecessor First Lien Facility and Predecessor Second Lien Facility were fully repaid at the time of the Silver Lake Transaction. As a result of this refinancing, a loss on extinguishment of debt of $10.5 million was recorded in the period from January 1, 2020 through January 31, 2020.

Successor

The fair value of the Company's long-term debt obligations approximate their book value as of December 31, 2020 (Successor) and consisted of the following (in thousands):

	Successor December 31, 2020
Successor First Lien Facility	$ 666,650
Successor Second Lien Facility	145,000
Total debt	811,650
Less: Current portion of long-term debt	(6,700)
Total long-term debt	804,950
Less: Deferred financing costs	(26,345)
Long-term debt, net	$ 778,605

On January 31, 2020, the Predecessor Credit Facilities (described above) were repaid in full as part of the Silver Lake Transaction. As part of the Silver Lake Transaction, a new financing structure was established consisting of a new First Lien Credit Agreement ("Successor First Lien Agreement") and a new Second Lien Credit Agreement ("Successor Second Lien Agreement") (collectively, the "Successor Credit Facilities"). The Successor First Lien Agreement provides financing in the form of a $670.0 million term loan due January 31, 2027, carrying an interest rate of 3.25% to 3.50%, based on the first lien leverage ratio, plus LIBOR and a new $75.0 million revolving credit facility due January 31, 2025 ("Successor Revolver"). The Successor First Lien Agreement requires mandatory quarterly repayments of 0.25% of the original loan balance commencing September 30, 2020. Beginning with the year ended December 31, 2021, the Successor First Lien Facility requires mandatory payments based on calculated excess cash flow, as defined within the Successor First Lien Credit Agreement. The Successor Second Lien Agreement provides financing in the form of a $145.0 million term loan due January 31, 2028, carrying an interest rate of 8.50% plus LIBOR. The Successor Credit Facilities are collateralized by substantially all assets and capital stock owned by direct and indirect domestic subsidiaries and is governed by certain restrictive covenants including limitations on indebtedness, liens, and among other things investments and acquisitions. In the event the Company's outstanding indebtedness under the Successor Revolver exceeds 35% of the aggregate principal amount of the revolving commitments then in effect, it is required to maintain a consolidated first lien leverage ratio of 7.75 to 1. As of December 31, 2020, the Company did not exceed borrowings of 35% of the aggregate principal amount of the revolving commitments, and therefore was not subject to the consolidated first lien leverage ratio covenant and was compliant with all other covenants under the agreements.

Scheduled maturities of long-term debt as of December 31, 2020, are as follows (in thousands):

Years Ending December 31,	
2021	$ 6,700
2022	6,700
2023	6,700
2024	6,700
2025	6,700
Thereafter	778,150
	$ 811,650

In February 2021, the Company refinanced the Successor First Lien Agreement and fully repaid the outstanding balance on the Successor Second Lien Agreement (see Note 17).

8. DERIVATIVES

In February 2020, the Company entered into an interest rate collar agreement with a counterparty bank in order to reduce its exposure to interest rate volatility. In this agreement, the Company and the counterparty bank agreed to a one-month LIBOR floor of 0.48% and a cap of 1.50% on a portion of the Company's Successor First Lien Facility. The notional amount of this agreement is $405.0 million through February 2022 at which time the notional amount reduces to $300.0 million through February 2024.

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

		Fair Value		Gain/(Loss)
Derivatives not designated as hedging instruments	**Balance Sheet Location**	**As of December 31, 2020**	**Income Statement Location**	**Period from February 1, 2020 through December 31, 2020 (Successor)**
Interest rate swaps	Other Liabilities	$ 3,615	Interest expense, net	$ (4,383)

9. INCOME TAXES

The Company wholly owns First Advantage Corporation, a U.S. domiciled corporation. The Company's income tax expense and income tax balance sheet accounts reflect the results of First Advantage Corporation and its subsidiaries.

The domestic and foreign components of income (loss) before provision for income taxes for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively, were as follows (in thousands):

	Predecessor		Successor
	Year Ended December 31, 2019	**Period from January 1, 2020 through January 31, 2020**	**Period from February 1, 2020 through December 31, 2020**
Income (loss) before provision for income taxes from United States operations	$ 29,196	$ (38,181)	$ (68,008)
Income before provision for income taxes from foreign operations	11,952	780	9,161
Net income (loss) before provision for income taxes	$ 41,148	$ (37,401)	$ (58,847)

First Advantage Corporation
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The domestic and foreign components of the provision for income taxes for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively, were as follows (in thousands):

	Predecessor		Successor
	Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020
Current:			
Federal	$ (96)	$ (2)	$ 51
State	784	(79)	1, 994
Foreign	4,161	128	3,818
Total Current	$ 4,849	$ 47	$ 5,863
Deferred:			
Federal	$ 1,778	$ (701)	$ (16,144)
State	389	(149)	(784)
Foreign	(118)	(68)	(290)
Total Deferred	$ 2,049	$ (918)	$ (17,218)
Total	$ 6,898	$ (871)	$ (11,355)

In the Predecessor periods, our effective tax rate was significantly impacted by the recognition of a valuation allowance against certain deferred tax assets, primarily in the United States. In the Successor period, based upon the weight of all available evidence, the Company no longer maintains a valuation allowance against deferred tax assets in the United States.

The following table reconciles the U.S. statutory federal tax rate of 21% to the Company's effective income tax rate of 16.71%, 2.33%, and 19.29% for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively:

	Predecessor		Successor
	Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020
U.S. federal statutory rate	21.00%	21.00%	21.00%
State and local income taxes – net of federal tax benefits	4.84	(0.99)	(1.50)
Foreign rate difference	1.28	0.06	(0.14)
Change in valuation allowance	(13.81)	(12.37)	0.00
GILTI inclusion	3.41	(0.34)	2.71
Transaction cost	—	(3.14)	(1.09)
Share-based compensation	0.47	(2.23)	(0.40)
Rate change impact	1.37	—	—
US research and development credit	(2.03)	0.35	0.85
Withholding tax	0.78	—	(1.90)
Other nondeductible items	(0.60)	(0.01)	(0.24)
Effective rate	16.71%	2.33%	19.29%

The U.S. Tax Cuts and Jobs Act of 2017 ("2017 Tax Act") significantly revised U.S. corporate income tax law including a federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, enhanced accelerated depreciation deductions, and creation of a new Global Intangible Low-Taxed Income ("GILTI") and transition tax as a result of the transition of U.S. international taxation from a worldwide tax system to a modified territorial tax system. As a result of the 2017 Tax Act, the Company: (1) limited $35.6 million, $38.4 million, and $0.0 million of its interest expense deduction for the year ended 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and the period from February 1, 2020 through December 31, 2020 (Successor), respectively, which will be a carryforward indefinitely; and (2) recognized $6.7 million, $0.6 million, and ($1.6) million of GILTI for the year ended 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and the period from February 1, 2020 through December 31, 2020 (Successor), respectively. In 2020, the Company made a retroactive GILTI high-tax exception election in accordance with the final GILTI regulations issued on July 23, 2020, which resulted in a $1.6 million reversal of GILTI inclusion in the period from February 1, 2020 through December 31, 2020 (Successor). The Company has elected to provide for the tax expense related to GILTI in the year the tax is incurred as a period expense.

As of December 31, 2020, the Company has $36.8 million of accumulated unremitted earnings generated by its foreign subsidiaries. Under the Tax Act, a portion of these earnings was subject to U.S. federal taxation with the one-time transition tax. The Company asserts indefinite reinvestment on its unremitted earnings as well as any other additional outside basis differences of its foreign subsidiaries at December 31, 2020. Any future reversals could be subject to additional foreign withholding taxes, U.S. state taxes and certain tax impacts relating to foreign currency exchange effects on any future repatriations of the unremitted earnings.

The primary components of temporary differences that give rise to the Company's net deferred tax liability as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor) consisted of the following (in thousands):

	Predecessor December 31, 2019	Successor December 31, 2020
Deferred tax assets:		
Federal net operating loss carryforwards	$ 36,550	$ 41,498
State net operating loss carryforwards	9,754	9,200
Foreign net operating loss carryforwards	8,277	8,808
Deferred revenue	205	109
Bad debt reserves	290	277
Employee benefits	2,128	2,211
Share-based compensation	561	195
Accrued expenses and loss reserves	1,381	3,997
Interest subject to IRC Section 163(j)	8,861	—
Other deferred tax assets	5,633	8,679
Depreciable and other amortizable assets	11,317	—
Less: Valuation allowance	(61,349)	(4,560)
Total deferred tax asset	$ 23,608	$ 70,414
Deferred tax liabilities:		
Trade name	$ (2,179)	$ (22,124)
Goodwill	(33,200)	(3,600)
Depreciable and other amortizable assets	—	(130,523)
Other deferred liabilities	(64)	(130)
Total deferred tax liability	$ (35,443)	$ (156,377)
Net deferred tax liability	$ (11,835)	$ (85,963)

On March 18, 2020, the Families First Coronavirus Response Act ("FFCR Act"), and on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") were each enacted in response to the COVID-19 pandemic. Some of the key tax-related provisions benefiting the Company include favorable modifications to the limitation on the deductibility of business interest and payroll tax deferral. As a result of the adjustment to the business interest limitations, the Company was eligible to increase its deductible interest expense in the years ended December 31, 2019 (Predecessor) and December 31, 2020 (Successor) .

As of December 31, 2019 (Predecessor) and December 31, 2020 (Successor), the Company believes that federal, state, and foreign net operating loss carryforwards will be available to reduce future taxable income after taking into account various federal and foreign limitations on the utilization of such net operating loss carryforwards. The net operating loss carryforward balances as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor), are as follows (in thousands):

	Predecessor December 31, 2019	Successor December 31, 2020
Federal	$ 175,488	$ 197,607
State	172,905	166,196
Foreign	36,242	35,992
	$ 384,635	$ 399,795

The Company has $2.7 million and $3.2 million of research and development credit carryforwards as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively, that will expire beginning 2034. The Company believes that the research and development credit carryforwards will be utilized to reduce future tax liability before it expires.

ASC 740 requires a valuation allowance to reduce the deferred income tax assets recorded if, based on the weight of the evidence, it is more likely than not, that some or all of the deferred income tax assets will not be realized. The Company evaluates all of the positive and negative evidence to determine the need for a valuation allowance. In making such a determination, management considers all available positive and negative evidence, including scheduled reversals of deferred income tax liabilities, the ability to carryback net operating losses, tax planning strategies and recent financial operations. After consideration of all of the evidence, the Company has determined that a valuation allowance of $61.3 million and $4.6 million is necessary on December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively. The decrease in the valuation allowance is primarily due to the reversal of the U.S. valuation allowance as a result of the Silver Lake Transaction. The Company had excess deferred tax liabilities over its deferred tax assets due to significant non-goodwill intangible assets with no tax basis that were generated from the Silver Lake Transaction, which provide a source of future taxable income to realize the deferred tax assets. Accordingly, the Company reversed its U.S. valuation allowance as part of its accounting for the Silver Lake Transaction.

The Company is no longer subject to U.S. federal examinations by tax authorities for years before 2012, and state, local, and non-U.S. income tax examinations by tax authorities before 2004.

The aggregate changes in the balance of our gross unrecognized tax benefits, excluding accrued interest, were as follows for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020, through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor) were as follows (in thousands):

	Predecessor		Successor
	Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020
Balance, beginning of period	$ 1,384	$ 1,296	$ 1,290
Increases for tax positions related to prior years	48	4	51
Decreases for tax positions related to prior years	(136)	(10)	—
Balance, end of period	$ 1,296	$ 1,290	$ 1,341

An income tax benefit of $1.3 million would be recorded if these unrecognized tax benefits are recognized. The Company believes it is reasonably possible that its liability for unrecognized tax benefits will significantly decrease in the next twelve months. The Company recognizes accrued interest related to unrecognized tax benefits in interest expense and penalties in income tax expense.

10. REVENUES

Performance obligations

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, revenue 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.

Accordingly, in any period, the Company does not recognize a significant amount of revenues from performance obligations satisfied or partially satisfied in prior periods and the amount of such revenues recognized for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and the period from February 1, 2020 through December 31, 2020 (Successor) were immaterial.

Disaggregation of revenues

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

	Predecessor		Successor
(in thousands)	Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020
Revenues			
North America	$ 423,164	$ 32,411	$ 430,002
International	62,948	4,665	45,818
Eliminations	(4,345)	(291)	(3,451)
Total revenues	$ 481,767	$ 36,785	$ 472,369

Contract assets and liabilities

The contract asset balance, primarily consisting of revenue recognized but not yet billed, was $6.1 million and $4.2 million as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively, and is included in accounts receivable, net in the accompanying consolidated balance sheets. The contract liability balance, primarily consisting of deferred revenue, was $0.7 million and $0.4 million as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively, and is included in deferred revenue in the accompanying consolidated balance sheets. An immaterial amount of revenue was recognized in the current period related to the beginning balance of deferred revenue.

11. SHARE-BASED COMPENSATION

Predecessor

Class B awards issued under the Predecessor Plan consisted of options and profits interests and generally vested over five years at a rate of 20% per year. The Class B options issued under the Predecessor Plan generally expired ten years after the grant date.

Class C awards issued under the Predecessor Plan consisted of options and profits interests and generally vested based on two criteria (50% each): (1) Time — awards vested over five years at a rate of 20% per year; and (2) Performance — awards vested based on the Company achieving certain revenue growth and EBITDA targets or on achieving certain enterprise value targets upon the sale of the Company. The Class C options issued under the Predecessor Plan generally expired ten years after the grant date.

There were 1,700,051 Class B profits interests and 12,621,955 Class C profits interests under the Predecessor Plan for the year ended December 31, 2019 (Predecessor) and for the period from January 1, 2020 to January 31, 2020 (Predecessor). As of January 31, 2020 all profits interest grants were vested.

Share-based employee compensation expense was approximately $1.2 million and $4.0 million for the year ended December 31, 2019 (Predecessor) and for the period from January 1, 2020 to January 31, 2020 (Predecessor), respectively. Expenses of $0.2 million, $0.1 million, and $0.9 million for the year ended December 31, 2019 (Predecessor) and $0.2 million, $0.0 million, and $3.8 million for the period from January 1, 2020 through January 31, 2020 (Predecessor) are recognized in cost of services, product and technology expense, and selling, general, and administrative expense, respectively, in the accompanying consolidated statements of operations and comprehensive income (loss).

As a result of the Silver Lake Transaction, certain awards issued under the Predecessor Plan were granted accelerated vesting upon the closing of the transaction. In accordance with ASC 718, *Compensation – Stock Compensation*, the Company recorded the additional associated expense of approximately $3.9 million in the period from January 1, 2020 to January 31, 2020 (Predecessor). All remaining unvested awards were forfeited.

A summary of the option unit activity under the Predecessor Plan for the year ended December 31, 2019 (Predecessor) and for the period from January 1, 2020 to January 31, 2020 (Predecessor) is as follows:

		Class B		Class C	
		Units	Weighted Average Exercise Price	Units	Weighted Average Exercise Price
December 31, 2018	Grants outstanding	331,666	$ 1.45	3,792,205	$ 2.00
	Forfeited	—	$ —	(3,437)	$ 2.00
December 31, 2019	Grants outstanding	331,666	$ 1.45	3,788,768	$ 2.00
	Forfeited	—	$ —	(72,500)	$ 2.00
January 31, 2020	Grants outstanding	331,666	$ 1.45	3,716,268	$ 2.00
January 31, 2020	Grants vested	271,666	$ 1.45	3,206,998	$ 2.00
January 31, 2020	Grants unvested	60,000	$ 1.45	509,270	$ 2.00

Successor

The fair value for awards granted during the period from February 1, 2020 to December 31, 2020 (Successor), was estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2020 Class B	2020 Class C
Expected volatility	30.9%	30.08%
Risk-free interest rate	1.28%	1.47%
Expected term (in years)	6.25	6.25
Estimated fair-value of the underlying unit	$10.06	$10.00

Awards issued under the Successor Plan consist of options and profits interests and vest based on two criteria (50% each): (1) Time — awards vest over five years at a rate of 20% per year; and (2) Performance — awards vest based upon a combination of the five-year time vesting, subject to the Company's investors receiving a targeted money-on-money return. Options issued under the Successor Plan generally expire ten years after the grant date.

Share-based employee compensation expense was approximately $1.9 million for the period from February 1, 2020 to December 31, 2020 (Successor), of which $0.1 million, $0.2 million, and $1.6 million are recognized in cost of services, product and technology expense, and selling, general, and administrative expense, respectively, in the accompanying consolidated statements of operations and comprehensive income (loss). As of December 31, 2020, the Company had approximately $19.7 million of unrecognized pre-tax noncash compensation expense, comprised of approximately $11.5 million related to profits interests units and approximately $8.2 million related to option units, which the Company expects to recognize over a weighted average period of 2.5 years.

A summary of the profits interest unit activity under the Successor Plan for the period from February 1, 2020 to December 31, 2020 (Successor) is as follows:

		Class C Units
February 1, 2020	Grants outstanding	—
	Issued	4,501,056
	Forfeited	(643,008)
December 31, 2020	Grants outstanding	3,858,048
December 31, 2020	Grants vested	—
December 31, 2020	Grants unvested	3,858,048

A summary of the option unit activity under the Successor Plan for the period from February 1, 2020 to December 31, 2020 (Successor) is as follows:

		Class B	
		Units	Weighted Average Exercise Price
February 1, 2020	Grants outstanding	—	$ —
	Issued	2,867,694	$ 10.06
	Forfeited	(133,960)	$ 10.00
December 31, 2020	Grants outstanding	2,733,734	$ 10.06
December 31, 2020	Grants vested	—	$ —
December 31, 2020	Grants unvested	2,733,734	$ 10.06

12. EQUITY

Predecessor

The Company authorized the issuance of an aggregate of 165,000,000 units consisting of three classes of units as follows: 140,000,000 Class A units, 7,500,000 Class B units, and 17,500,000 Class C units. All units had no par value.

Class A Units — As of December 31, 2019, 140,000,000 Class A units were authorized and 138,714,853 units were issued. These units represented the most preferred class of equity and entitled the holders to the return of their capital contributions before amounts were distributed with respect to any other units.

Class B Units — As of December 31, 2019, 7,500,000 Class B units were authorized and 1,700,051 units were issued. These units represented common equity in that they provided rights to distributions junior to the A Units. These units reflected an equity interest in the entire company and were used for share-based compensation purposes.

Class C Units — As of December 31, 2019, 17,500,000 Class C units were authorized and 9,271,556 units were issued. These units represented common equity in that they provided rights to distributions junior to the A Units. These units represented an equity interest in the entire Company with rights to distributions from earnings generated only by the Company's screening business. Class C units were used for share-based compensation purposes.

Successor

The Company's legal entity structure was changed as a result of the Silver Lake Transaction, resulting in the dissolution of all authorized and outstanding unit classes. Following the Silver Lake Transaction, the Company operates with one class of common stock consisting of 1,000,000,000 shares authorized and 130,000,000 shares issued and outstanding. The shares have a $0.001 par value.

During the period ended December 31, 2020 (Successor), the Company's parent received a $50.0 million strategic investment in the Company's equity by a leading provider of enterprise cloud applications for finance and human resources. This investment was contributed to the Company as a capital contribution.

13. COMMITMENTS AND CONTINGENCIES

Leases — The Company leases its office facilities and certain equipment under various leases classified as operating leases. Rent expense under operating leases was approximately $5.9 million, $0.5 million and $5.3 million for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), respectively.

The Company leases certain technology equipment assets under various leases classified as capital leases. The leased equipment is depreciated on a straight-line basis over the lease terms, which range from three to five years. Included in property and equipment, net are capital leases with a cost of $11.2 million and $5.0 million and accumulated depreciation of $6.0 million and $2.5 million as of December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively. The current portion of the capital lease liability is included in accrued liabilities and the long-term capital lease liability is included in other liabilities in the accompanying consolidated balance sheets.

Amortization and interest expense related to capital leases for the year ended December 31, 2019 (Predecessor), the period from January 1, 2020 through January 31, 2020 (Predecessor), and for the period from February 1, 2020 through December 31, 2020 (Successor), are as follows (in thousands):

	Predecessor		Successor
	Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020
Depreciation and amortization	$ 3,173	$ 231	$ 2,282
Interest expense	$ 395	$ 26	$ 206

Future minimum rental payments under operating leases that have initial non-cancelable lease terms in excess of one year, future minimum rental payments under capital leases and the present value of minimum lease payments under capital leases as of December 31, 2020, are as follows (in thousands):

Years Ending December 31,	Operating Leases	Capital Leases
2021	$ 5,666	$ 1,777
2022	3,620	916
2023	2,010	106
2024	1,725	—
2025	519	—
Thereafter	476	—
Total minimum lease payments	$ 14,016	2,799
Less: Imputed interest		(132)
Present value of minimum lease payments under capital leases		2,667
Less: Current portion of capital lease liability		(1,679)
Total long-term capital lease liability		$ 988

Litigation — 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, could become 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 $10.0 million and $8.1 million at December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively, for matters that it believes a loss is both probable and estimable. This is included in accrued liabilities in the accompanying consolidated balance sheets.

In June 2014 and September 2015, two separate class action cases were filed against the Company in the State of California. The two cases are now being coordinated together under a single judge and a settlement agreement has been agreed to, pending court approval. As a result, the Company recorded a total liability of $6.3 million for these two cases on December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively. This liability represents the Company's agreed-upon settlement amount and related class action administrative fees. Additionally, the Company maintains liability insurance programs to manage its litigation risks and the Company's insurers have agreed to a single deductible to be applied to the two cases. As a result, the Company has recorded a total insurance recoverable asset for these two cases of $2.1 million and $2.2 million at December 31, 2019 (Predecessor) and December 31, 2020 (Successor), respectively, which represents the portion of the legal settlement and legal fees incurred expected to be recovered from the Company's insurers. This is included in prepaid expenses and other current assets in the accompanying 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.

14. RELATED PARTY TRANSACTIONS

Predecessor

In the ordinary course of business in the Predecessor period, the Company entered into transactions with related parties, primarily with STG and one of STG's other investments, Symphony Talent, LLC.

Total expenses recorded and paid to STG, primarily related to healthcare premiums, were $6.0 million and $0.0 million for the year ended December 31, 2019 (Predecessor) and for the period from January 1, 2020 through January 31, 2020 (Predecessor), respectively. In January 2020, the Company and STG entered into a Termination Agreement, in which all obligations and liabilities under the benefits arrangement were cancelled.

In January 2020, the Company and Symphony Talent, LLC entered into a Debt Forgiveness Agreement in which the Company forgave a loan receivable, including accrued interest and other transaction related receivables, the Company had previously fully impaired in 2018. Subsequent to the impairment and prior to the execution of the Debt Forgiveness Agreement, $0.4 million in interest was collected related to this note receivable and was recorded in interest income in the accompanying consolidated statements of operations and comprehensive income (loss) for the year ended December 31, 2019 (Predecessor).

Successor

The Company has no material related party transactions.

15. NET INCOME (LOSS) PER SHARE

Basic and diluted net income (loss) per share was calculated as follows (in thousands, except unit, per-unit, share, and per-share amounts):

	Predecessor		Successor
	For the Year Ended December 31, 2019	Period from January 1, 2020 through January 31, 2020	Period from February 1, 2020 through December 31, 2020
Basic and diluted net income (loss) per share	$ n/a	$ n/a	$ (0.37)
Numerator:			
Net income (loss)	$ n/a	$ n/a	$ (47,492)
Denominator:			
Weighted-average common shares outstanding used in computing basic and diluted net income (loss) per share	n/a	n/a	130,000,000
Basic net income (loss) per unit	$ 0.23	$ (0.24)	$ n/a
Diluted net income (loss) per unit	$ 0.21	$ (0.24)	$ n/a
Numerator:			
Net income (loss)	$ 34,250	$ (36,560)	$ n/a
Denominator			
Weighted-average common shares outstanding used in computing basic net income (loss) per unit	149,686,460	149,686,460	n/a
Add options and restricted stock units to purchase units	14,193,306	—	n/a
Weighted-average shares used in computing diluted net income (loss) per unit	163,879,766	149,686,460	n/a

16. ENTITY-WIDE DISCLOSURES

The authoritative guidance for disclosures about segments of an enterprise establishes standards for reporting information about operating segments. It defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker (“CODM”) in deciding how to allocate resources and in assessing performance. Our Chief Executive Officer is our CODM. Our CODM manages our business and reviews operating results at the consolidated entity level for purposes of making resource allocation decisions and for evaluating financial performance. Accordingly, we consider ourselves to be in a single operating and reporting segment structure.

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

	Predecessor December 31, 2019	Successor December 31, 2020
Long-lived assets, net		
United States, country of domicile	$ 347,856	$ 1,266,000
International	8,622	217,826
Total long-lived assets, net	$ 356,478	$ 1,483,826

17. SUBSEQUENT EVENTS

The Company has evaluated events that occurred subsequent to December 31, 2020 for potential recognition and disclosure in these consolidated financial statements. Any material subsequent events were evaluated through the date of issuance, April 2, 2021, of these consolidated financial statements and updated such evaluation for disclosure purposes through June 14, 2021, with respect to the stock split as discussed below.

In February 2021, the Company refinanced its Successor First Lien Credit Facility term loan at an increased principal amount of $766.6 million due January 31, 2027, carrying a reduced interest rate of 3.00% to 3.25%, based on the first lien leverage ratio, plus LIBOR. No changes were made to the associated revolving line of credit due January 31, 2025. In connection with the refinancing of our Successor First Lien Credit Facility term loan, we fully repaid our Successor Second Lien Credit Facility. As a result of these transactions the Company will record a total loss on extinguishment of debt of approximately $13.9 million, composed of the write-off of unamortized deferred financing costs plus a prepayment premium, accrued interest, and other miscellaneous fees.

In March 2021, the Company, through its wholly-owned subsidiary in the United Kingdom, entered into an agreement to acquire certain assets comprising the background screening business unit from GB Group PLC for £5.4 million, or approximately $7.5 million. The transfer of ownership became effective on March 31, 2021 and will establish the Company as one of the largest background screening providers in the region. The Company will be deemed to be the acquirer under ASC 805, and, as a result, will record the related purchase accounting in the first quarter of 2021.

In connection with preparing for an initial public offering, the Company's Board of Directors approved and made effective a 1,300,000-for-one stock split of the Company's common stock on June 11, 2021. The par value per share of common stock remained unchanged at $0.001 per share. Authorized shares were increased from 10,000 shares to 1,000,000,000 shares. The accompanying financial statements and notes thereto give retroactive effect to the stock split for all Successor periods presented. All common share and per share amounts in the accompanying financial statements and notes have been retroactively adjusted to give effect to the stock split, including reclassifying an amount equal to the increase in aggregate par value of "common stock" from "additional paid-in capital."

18. CONDENSED FINANCIAL INFORMATION OF REGISTRANT

FIRST ADVANTAGE CORPORATION
(PARENT COMPANY ONLY)
CONDENSED BALANCE SHEETS
(in thousands, except share and per share data)

	As of December 31,	
	2019	2020
ASSETS		
Investment in subsidiaries	$ —	$ 792,394
LIABILITIES AND EQUITY		
Liabilities	$ —	$ —
EQUITY		
Common stock—$0.001 par value; 1,000,000,000 shares authorized; 130,000,000 shares issued and outstanding as of December 31, 2020	—	130
Additional paid-in-capital	—	837,272
Accumulated deficit	—	(47,492)
Accumulated other comprehensive income	—	2,484
Total equity	—	792,394
TOTAL LIABILITIES AND EQUITY	$ —	$ 792,394

The accompanying note is an integral part of these condensed financial statements.

FIRST ADVANTAGE CORPORATION
(PARENT COMPANY ONLY)
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)
(in thousands, except share and per share data)

	For the Period from November 15, 2019 through December 31, 2019	For the Year Ended December 31, 2020
Equity in net (loss) of subsidiaries	$ —	$ (47,492)
NET (LOSS)	—	(47,492)
Foreign currency translation adjustments	—	2,484
COMPREHENSIVE (LOSS)	$ —	$ (45,008)
NET (LOSS)	$ —	$ (47,492)
Basic and diluted net (loss) per share	$ —	$ (0.37)
Weighted average number of shares outstanding – basic and diluted	130,000,000	130,000,000

A statement of cash flows has not been presented as First Advantage Corporation parent company did not have any cash as of, or at any point in time during, the period ended December 31, 2019 and the year ended December 31, 2020.

The accompanying note is an integral part of these condensed financial statements.

Note to Condensed Financial Statements of Registrant (Parent Company Only)

Basis of Presentation

Fastball Intermediate, Inc. was formed on November 15, 2019. In March 2021, Fastball Intermediate, Inc. changed its name to First Advantage Corporation. Prior to the Silver Lake Transaction, the Company had no operations of its own and held no equity interest in any operating subsidiaries.

These condensed parent company-only financial statements have been prepared in accordance with Rule 12-04, Schedule I of Regulation S-X, as the restricted net assets of the subsidiaries of First Advantage Corporation (as defined in Rule 4-08(e)(3) of Regulation S-X) exceed the specified threshold amount of the consolidated net assets of the Company. Because we have a consolidated accumulated deficit, the 25% threshold described in Rule 4-08 does not apply and any restrictions of net assets at our subsidiaries trigger the requirement to present parent company-only financial information. The ability of First Advantage Corporation's operating subsidiaries to pay dividends may be restricted due to the terms of the subsidiaries' outstanding term loan and revolving credit facility borrowings under the Successor Credit Facilities, as described in Note 7 to the audited consolidated financial statements.

These condensed parent company-only financial statements have been prepared using the same accounting principles and policies described in the notes to the consolidated financial statements, with the only exception being that the parent company accounts for its subsidiaries using the equity method. These condensed parent company-only financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included elsewhere in this prospectus.

First Advantage Corporation
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(in thousands, except share and per share amounts)

	Successor September 30, 2021	Successor December 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 275,538	$ 152,818
Restricted cash	150	152
Short-term investments	958	1,267
Accounts receivable (net of allowance for doubtful accounts of $712 and $967 at September 30, 2021 and December 31, 2020, respectively)	147,138	111,363
Prepaid expenses and other current assets	17,294	8,699
Income tax receivable	2,426	3,479
Total current assets	443,504	277,778
Property and equipment, net	161,330	190,282
Goodwill	772,669	770,089
Trade name, net	81,691	87,702
Customer lists, net	389,216	435,661
Deferred tax asset, net	1,442	807
Other assets	6,841	1,372
TOTAL ASSETS	$ 1,856,693	$ 1,763,691
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 46,078	$ 44,117
Accrued compensation	26,173	18,939
Accrued liabilities	23,966	25,200
Current portion of long-term debt	—	6,700
Income tax payable	2,578	2,451
Deferred revenue	504	431
Total current liabilities	99,299	97,838
Long-term debt (net of deferred financing costs of $10,319 and $26,345 at September 30, 2021 and December 31, 2020, respectively)	554,405	778,605
Deferred tax liability, net	82,163	86,770
Other liabilities	6,607	6,208
Total liabilities	742,474	969,421
COMMITMENTS AND CONTINGENCIES (Note 12)		
EQUITY		
Common stock—$0.001 par value; 1,000,000,000 shares authorized, 152,870,750 and 130,000,000 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	153	130
Additional paid-in-capital	1,160,002	839,148
Accumulated deficit	(46,826)	(47,492)
Accumulated other comprehensive income	890	2,484
Total equity	1,114,219	794,270
TOTAL LIABILITIES AND EQUITY	$ 1,856,693	$ 1,763,691

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

First Advantage Corporation
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(Unaudited)
(in thousands, except share and per share amounts)

	Three-Month Period (1)		Nine-Month Period (1)		
	Successor				Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Period from February 1, 2020 through September 30, 2020	Period from January 1, 2020 through January 31, 2020
REVENUES	$ 192,867	$ 136,778	$ 499,763	$ 315,825	$ 36,785
OPERATING EXPENSES:					
Cost of services (exclusive of depreciation and amortization below)	94,151	67,483	244,964	156,703	20,265
Product and technology expense	11,313	8,343	33,546	20,495	3,189
Selling, general, and administrative expense	27,203	18,907	76,256	46,206	11,235
Depreciation and amortization	35,812	36,756	106,493	97,815	2,105
Total operating expenses	168,479	131,489	461,259	321,219	36,794
INCOME (LOSS) FROM OPERATIONS	24,388	5,289	38,504	(5,394)	(9)
OTHER EXPENSE (INCOME):					
Interest expense	4,734	11,706	22,015	38,405	4,514
Interest income	(28)	(76)	(140)	(282)	(25)
Loss on extinguishment of debt	—	—	13,938	—	10,533
Transaction expenses, change in control	—	—	—	9,423	22,370
Total other expense	4,706	11,630	35,813	47,546	37,392
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	19,682	(6,341)	2,691	(52,940)	(37,401)
Provision (benefit) for income taxes	3,397	(2,889)	2,025	(11,308)	(871)
NET INCOME (LOSS)	$ 16,285	$ (3,452)	$ 666	$ (41,632)	$ (36,530)
Foreign currency translation (loss) income	(3,059)	7,009	(1,594)	(1,164)	(31)
COMPREHENSIVE INCOME (LOSS)	$ 13,226	$ 3,557	$ (928)	$ (42,796)	$ (36,561)
NET INCOME (LOSS)	$ 16,285	$ (3,452)	$ 666	$ (41,632)	$ (36,530)
Basic net income (loss) per share	$ 0.11	$ (0.03)	$ 0.00	$ (0.32)	n/a
Diluted net income (loss) per share	$ 0.11	$ (0.03)	$ 0.00	$ (0.32)	n/a
Weighted average number of shares outstanding—basic	149,943,998	130,000,000	137,232,289	130,000,000	n/a
Weighted average number of shares outstanding—diluted	152,400,419	130,000,000	138,170,488	130,000,000	n/a
Basic net (loss) per unit	n/a	n/a	n/a	n/a	$ (0.24)
Diluted net (loss) per unit	n/a	n/a	n/a	n/a	$ (0.24)
Weighted average units outstanding—basic	n/a	n/a	n/a	n/a	149,686,460
Weighted average units outstanding— diluted	n/a	n/a	n/a	n/a	149,686,460

(1) See Note 1 “Organization, Nature of Business, and Basis of Presentation” for further discussion.

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

First Advantage Corporation
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(in thousands)

	Successor		Predecessor
	Nine Months Ended September 30, 2021	Period from February 1, 2020 through September 30, 2020	Period from January 1, 2020 through January 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$ 666	$ (41,632)	$ (36,530)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	106,493	97,815	2,105
Loss on extinguishment of debt	13,938	—	10,533
Amortization of deferred financing costs	5,496	2,344	569
Bad debt (recovery) expense	(163)	166	102
Deferred taxes	(4,465)	(12,382)	(997)
Share-based compensation	4,569	1,331	3,976
(Gain) on foreign currency exchange rates	(281)	(38)	(82)
Loss on disposal of fixed assets	80	41	8
Change in fair value of interest rate swaps	(845)	4,412	—
Changes in operating assets and liabilities:			
Accounts receivable	(35,815)	(20,663)	9,384
Prepaid expenses and other current assets	(8,619)	143	(4,604)
Other assets	(5,477)	(325)	(62)
Accounts payable	1,547	11,676	(8,871)
Accrued compensation and accrued liabilities	5,898	(5,856)	4,102
Deferred revenue	73	(80)	11
Other liabilities	509	1,157	767
Income taxes receivable and payable, net	256	(483)	373
Net cash provided by (used in) operating activities	83,860	37,626	(19,216)
CASH FLOWS FROM INVESTING ACTIVITIES			
Changes in short-term investments	305	708	(163)
Acquisition of business	(7,588)	—	—
Purchase of property and equipment	(5,743)	(4,083)	(951)
Capitalized software development costs	(11,966)	(7,423)	(929)
Net cash used in investing activities	(24,992)	(10,798)	(2,043)

First Advantage Corporation
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(In thousands)
(continued)

	Successor		Predecessor
	Nine Months Ended September 30, 2021	Period from February 1, 2020 through September 30, 2020	Period from January 1, 2020 through January 31, 2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of common stock in initial public offering, net of underwriting discounts and commissions	320,559	—	—
Payments of initial public offering issuance costs	(3,848)	—	—
Shareholder distribution	(313)	—	—
Capital contributions	241	59,423	41,143
Distributions to Predecessor Members and Optionholders	—	(4,087)	(17,991)
Borrowings from Successor First Lien Credit Facility	261,413	—	—
Repayments of Successor First Lien Credit Facility	(363,875)	(1,675)	—
Repayment of Successor Second Lien Credit Facility	(146,584)	—	—
Borrowings on Successor Revolver	—	25,000	—
Repayments on Successor Revolver	—	(25,000)	—
Repayment of Predecessor First Lien Credit Facility	—	—	(34,000)
Payments of debt issuance costs	(1,257)	(1,397)	—
Payments on capital lease obligations	(1,286)	(1,908)	(274)
Payments on deferred purchase agreements	(533)	—	—
Proceeds from stock option exercises	187	—	—
Net settlement of stock option exercises	(332)	—	—
Net cash provided by (used in) financing activities	64,372	50,356	(11,122)
Effect of exchange rate on cash. cash equivalents, and restricted cash	(522)	(1,665)	(102)
Increase (decrease) in cash, cash equivalents, and restricted cash	122,718	75,519	(32,483)
Cash, cash equivalents, and restricted cash at beginning of period	152,970	48,263	80,746
Cash, cash equivalents, and restricted cash at end of period	$ 275,688	$ 123,782	$ 48,263
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for income taxes, net of refunds received	$ 6,069	$ 2,994	$ 279
Cash paid for interest	$ 18,362	$ 31,658	$ 224
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Offering costs included in accounts payable and accrued liabilities	$ 187	$ —	$ —
Non-cash property and equipment additions	$ 2,796	$ 37	$ 289
Distributions declared to Optionholders but not paid	$ —	$ —	$ 781

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)
(in thousands)

	Common Stock	Additional Paid-In-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Successor:					
For the period from January 1, 2021 to September 30, 2021					
BALANCE – December 31, 2020	$ 130	$ 839,148	$ (47,492)	$ 2,484	$ 794,270
Share-based compensation	—	562	—	—	562
Foreign currency translation	—	—	—	2,760	2,760
Net (loss)	—	—	(19,389)	—	(19,389)
BALANCE – March 31, 2021	$ 130	$ 839,710	$ (66,881)	$ 5,244	$ 778,203
Share-based compensation	—	2,664	—	—	2,664
Capital contributions	—	241	—	—	241
Issuance of common stock in connection with initial public offering, net of offering costs, underwriting discounts and commissions	23	316,502	—	—	316,525
Shareholder distribution	—	(313)	—	—	(313)
Foreign currency translation	—	—	—	(1,295)	(1,295)
Net income	—	—	3,770	—	3,770
BALANCE – June 30, 2021	$ 153	$ 1,158,804	$ (63,111)	$ 3,949	$ 1,099,795
Share-based compensation	—	1,343	—	—	1,343
Exercise of stock options	—	187	—	—	187
Common stock withheld for tax obligations and net settlement of stock option exercise	—	(332)	—	—	(332)
Foreign currency translation	—	—	—	(3,059)	(3,059)
Net income	—	—	16,285	—	16,285
BALANCE – September 30, 2021	$ 153	$ 1,160,002	$ (46,826)	$ 890	$ 1,114,219

(in thousands)	Common Stock	Additional Paid-In-Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss)	Total Stockholders' Equity
Successor:					
For the period from February 1, 2020 to September 30, 2020					
BALANCE – February 1, 2020	$ 130	$ 779,596	$ —	$ —	$ 779,726
Share-based compensation	—	281	—	—	281
Capital contributions	—	59,423	—	—	59,423
Foreign currency translation	—	—	—	(8,659)	(8,659)
Net (loss)	—	—	(21,814)	—	(21,814)
BALANCE – March 31, 2020	$ 130	$ 839,300	$ (21,814)	$ (8,659)	$ 808,957
Share-based compensation	—	520	—	—	520
Foreign currency translation	—	—	—	486	486
Net (loss)	—	—	(16,366)	—	(16,366)
BALANCE – June 30, 2020	$ 130	$ 839,820	$ (38,180)	$ (8,173)	$ 793,597
Share-based compensation	—	530	—	—	530
Foreign currency translation	—	—	—	7,009	7,009
Net (loss)	—	—	(3,452)	—	(3,452)
BALANCE – September 30, 2020	$ 130	$ 840,350	$ (41,632)	$ (1,164)	$ 797,684

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

First Advantage Corporation
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' (DEFICIT) EQUITY

(Unaudited)
(in thousands)

	Class A Units Additional Paid-In Capital	Class B Units Additional Paid-In Capital	Class C Units Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss)	Total Members' (Deficit) Equity
Predecessor:						
For the period January 1, 2020 to January 31, 2020						
BALANCE—December 31, 2019	$106,090	$ 2,254	$ 11,524	$ (201,233)	$ (12,852)	$ (94,217)
Share-based compensation	—	50	3,926	—	—	3,976
Capital contributions	34,186	543	6,414	—	—	41,143
Distribution to Optionholders	—	(1,469)	(17,303)	—	—	(18,772)
Foreign currency translation	—	—	—	—	(31)	(31)
Net (loss)	—	—	—	(36,530)	—	(36,530)
BALANCE— January 31, 2020	$140,276	$ 1,378	$ 4,561	$ (237,763)	$ (12,883)	$ (104,431)

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

Fastball Intermediate, Inc., a Delaware corporation, was formed on November 15, 2019 and subsequently changed its name to First Advantage Corporation in March 2021. Hereafter, First Advantage Corporation and its subsidiaries will collectively be referred to as the “Company”. On January 31, 2020, a fund managed by Silver Lake acquired substantially all of the Company’s equity interests from the Predecessor equity owners, primarily funds managed by Symphony Technology Group (“STG”) (the “Silver Lake Transaction”). For the purposes of the condensed consolidated financial statements, periods on or before January 31, 2020 reflect the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries prior to the Silver Lake Transaction, referred to herein as the Predecessor, and periods beginning after January 31, 2020 reflect the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries as a result of the Silver Lake Transaction, referred to herein as the Successor. As a result of the Silver Lake Transaction, the results of operations and financial position of the Predecessor and Successor are not directly comparable.

The Company derives its revenues from a variety of background check services across the hiring/onboarding and employment/worker lifecycle including pre-onboarding checks and post-onboarding monitoring of employees, contractors, contingent workers, tenants, and drivers, and classifies these service offerings into three categories: pre-onboarding, post-onboarding and adjacent products.

Initial Public Offering — The Company’s registration statement on Form S-1 (“IPO Registration Statement”) related to its initial public offering (“IPO”) was declared effective on June 22, 2021, and the Company’s common stock began trading on the Nasdaq Global Select Market on June 23, 2021. On June 25, 2021, the Company completed its IPO of 29,325,000 shares of the Company common stock, $0.001 par value per share (the “Common Stock”) at an offering price of $15.00 per share, pursuant to the Company’s IPO Registration Statement. The Company sold 22,856,250 shares, including 2,981,250 shares that were sold pursuant to the full exercise of the underwriters’ option to purchase additional shares. Certain existing stockholders sold an aggregate of 6,468,750 shares, including 843,750 shares that were sold pursuant to the full exercise of the underwriters’ option to purchase additional shares. The Company received aggregate net proceeds of $316.5 million after deducting underwriting discounts and commissions of $22.3 million and other offering expenses of $4.0 million, $0.2 million of which was unpaid at September 30, 2021.

Immediately prior to the completion of the IPO, the Company filed an Amended and Restated Certificate of Incorporation, which authorized a total of 1,000,000,000 shares of Common Stock, $0.001 par value per share and 250,000,000 shares of Preferred Stock, par value $0.001 per share (the “Preferred Stock”). After filing the Amended and Restated Certificate of Incorporation, certain redemptions, exchanges, and conversions (collectively, the “Equity Conversion”) were made in connection with the dissolution of Fastball Holdco, L.P., the Company’s parent, which occurred prior to the completion of the IPO. All outstanding Class A LP Units, Class B LP Units, and Class C LP Units of Fastball Holdco, L.P were exchanged for 130,000,000 shares of the Company’s common stock. Outstanding stock options previously issued by Fastball Holdco, L.P. were converted into 3,865,509 stock options issued by the Company.

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 Company considers itself to be a single operating and reporting entity structure.

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 audited financial statements for the year ended December 31, 2020 included in its IPO Registration Statement.

The Company experiences 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 occurred in the second half of each year.

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 revenue 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, the impairment of long-lived assets, and goodwill impairment, collectability of receivables, 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 condensed 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 fair value of an asset is considered to be the price at which the asset could be sold in an orderly transaction between unrelated knowledgeable and willing parties. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, rather than the amount that would be paid to settle the liability with the creditor. Assets and liabilities recorded at fair value are measured using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The carrying amounts of cash and cash equivalents, short-term investments, receivables, short-term debt, 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 long-term debt are disclosed in Note 6.

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 September 30, 2021 (Successor) (in thousands):

	Level 1	Level 2	Level 3
Liabilities			
Interest rate swaps	$ —	$1,646	$ —

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Long-lived assets and other intangible assets are subject to nonrecurring fair value measurement for the assessment of impairment or as the result of business acquisitions. The fair value of these assets were estimated using the present value of expected future cash flows through unobservable inputs (Level 3).

As of December 31, 2020 (Successor), the Company completed its annual assessment of the recoverability of goodwill for our reporting units. The fair values of these reporting units 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 the trade names, customer lists, and software developed for internal use, 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.

Goodwill, Trade Name, and Customer Lists — The Company tests goodwill for impairment annually as of December 31 or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying value. Goodwill is tested for impairment at the reporting unit level using a fair value approach. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value, a "Step 0" analysis. If, based on a review of qualitative factors, it is more likely than not that the fair value of a reporting unit is less than its carrying value the Company performs "Step 1" of the goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. The Company determines the fair value of a reporting unit by estimating the present value of expected future cash flows, discounted by the applicable discount rate. If the carrying value exceeds the fair value, the Company measures the amount of impairment loss, if any, by comparing the implied fair value of the reporting unit goodwill with its carrying amount, the "Step 2" analysis. No impairment charges have been required.

During the Predecessor period, the Company's trade name had an indefinite life and was not amortized. The Company evaluates indefinite-lived intangible assets for impairment annually as of December 31 or more frequently if an event occurred or circumstances changed that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying value. No impairments were required.

Subsequent to the Silver Lake Transaction, the Company's trade name is amortized on an accelerated basis over its expected useful life of twenty years. The Company recorded $2.0 million and $2.0 million of amortization expense related to the trade name for the three months ended September 30, 2021 and 2020 (Successor), respectively. The Company recorded $6.0 million for the nine months ended September 30, 2021 (Successor) and $5.4 million of amortization expense related to the trade name for the period from February 1, 2020 through September 30, 2020 (Successor). No amortization expense was recorded for the period from January 1, 2020 through January 31, 2020 (Predecessor).

Customer lists are amortized on an accelerated basis based upon their estimated useful lives, ranging from seven to fourteen years during the Predecessor period and fourteen years in the Successor period. In the Predecessor period, the weighted-average amortization period of customer lists was 13.3 years. The Company recorded $16.4 million and $17.8 million of amortization expense related to customer lists for the three months ended September 30, 2021 and 2020 (Successor), respectively. The Company recorded $49.1 million, $47.4 million, and $0.8 million of amortization expense related to customer lists for the nine months ended September 30, 2021 (Successor), the period from February 1, 2020 through September 30, 2020 (Successor), and the period from January 1, 2020 through January 31, 2020 (Predecessor), respectively.

The Company regularly evaluates the amortization period assigned to each intangible asset to determine whether there have been any events or circumstances that warrant revised estimates of useful lives. In December 2020, and since that time, the Company determined that there have been no triggering events that would require impairment of trade names or customer lists.

Revenue Recognition — Revenues are recognized when control of the Company's services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. In accordance with ASC 606, *Revenue from Contracts with Customers,* which was adopted as of January 1, 2019 using the modified retrospective method, revenues are recognized based on the following steps:

a) Identify the contract with a customer

b) Identify the performance obligations in the contract

c) Determine the transaction price

d) Allocate the transaction price to the performance obligations in the contract

e) Recognize revenue when (or as) the entity satisfies a performance obligation

A substantial majority of the Company's revenues are derived from pre-onboarding and related services to our customers on a transactional basis, in which an individual background screening package or selection of services is ordered by a customer related to a single individual. Substantially all of the Company's customers are employers, staffing or related businesses. The Company satisfies its performance obligations and recognizes revenues for services rendered as the orders are completed and the completed reports are transmitted, or otherwise made available. The Company's remaining services, substantially consisting of tax consulting, fleet management and driver qualification services, are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure the Company's performance 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 are recognized utilizing the right to invoice expedient resulting in revenue 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. Due to the Company's contract terms and the nature of the background screening industry, the Company determined its contract terms for ASC 606 purposes are less than one year. As a result, the Company uses the practical expedient which allows it to expense incremental costs of obtaining a contract, primarily consisting of sales commissions, as incurred.

The Company records third-party pass-through fees incurred as part of screening related services on a gross revenue basis, with the related expense recorded as a third-party records expense, as the Company has control over the transaction and is therefore considered to be acting as a principal. The Company records motor vehicle registration and other tax payments paid on behalf of the Company's fleet management clients on a net revenue basis as the Company does not have control over the transaction and therefore is considered to be acting as an agent of the customer.

Contract balances are generated when the revenue 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 revenue than what has been billed. Contract assets are included in accounts receivable 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 revenue when the Company has an obligation to perform services for a customer in the future and has already received consideration from the customer. Contract liabilities are included in deferred revenue in the accompanying condensed consolidated balance sheets.

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 revenue 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. Gains or losses resulting from foreign currency transactions are included in the accompanying condensed consolidated statements of operations and comprehensive income (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 income (loss).

Currency transaction (loss) income included in the accompanying condensed consolidated statements of operations and comprehensive income (loss) were approximately $0.2 million and $0.5 million for the three months ended September 30, 2021 and 2020 (Successor), respectively. Currency transaction (loss) income included in the accompanying condensed consolidated statements of operations and comprehensive income (loss) were approximately $(0.1) million, $(0.4) million, and $0.1 million for the nine months ended September 30, 2021 (Successor), for the period from February 1, 2020 through September 30, 2020 (Successor), and for the period from January 1, 2020 through January 31, 2020 (Predecessor), respectively.

Currency translation (loss) income included in accumulated other comprehensive income (loss) were approximately $(3.1) million and $7.0 million for the three months ended September 30, 2021 and 2020 (Successor), respectively. Currency translation (loss) income included in accumulated other comprehensive income (loss) were approximately $(1.6) million, $(1.2) million, and $0.0 million for the nine months ended September 30, 2021 (Successor), for the period from February 1, 2020 through September 30, 2020 (Successor), and for the period from January 1, 2020 through January 31, 2020 (Predecessor), respectively.

Recent Accounting Pronouncements — The Company qualifies as an emerging growth company under the Jumpstart Our Business Startups ("JOBS") Act. The JOBS Act permits the Company an extended transition period for complying with new or revised accounting standards affecting public companies. The Company has elected to use this extended transition period and adopt certain new accounting standards on the private company timeline, which means that the Company's financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards on a non-delayed basis. There were no accounting pronouncements issued during the nine months ended September 30, 2021 which are expected to have a material impact on the condensed consolidated financial statements.

Recently Adopted Accounting Pronouncements — In 2021, the Company adopted ASU 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract, which requires that issuers follow the internal-use software guidance in ASC 350-40 to determine which costs to capitalize as assets or expense as incurred. Adoption of this standard did not have a material impact on the consolidated financial statements. However, if the Company enters into material new cloud computing arrangements in the future, this standard will impact the accounting for those arrangements which may have a material effect on future results.

Note 3. Acquisitions

Silver Lake Transaction

On January 31, 2020, a fund managed by Silver Lake acquired substantially all of the Company's equity interests for approximately $1,576.0 million. A portion of the consideration was derived from members of the management team contributing an allocation of their Silver Lake Transaction proceeds. As part of the Silver Lake Transaction, the Predecessor credit facilities were all repaid in full at closing and a new financing structure was executed (see Note 6).

Silver Lake accounted for the Silver Lake Transaction as a business combination under ASC 805 and elected to apply pushdown accounting to the Company.

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

Consideration	
Cash, net of cash acquired	$ 1,556,810
Rollover management equity interests	19,148
Total fair value of consideration transferred	$ 1,575,958
Current assets	$ 145,277
Property and equipment, including software developed for internal use	236,775
Trade name	95,000
Customer lists	500,000
Deferred tax asset	106,327
Other assets	1,429
Current liabilities	(71,496)
Deferred tax liability	(198,535)
Other liabilities	(6,616)
Total identifiable net assets	$ 808,161
Goodwill	$ 767,797

Goodwill recognized in the Silver Lake Transaction is primarily attributable to assembled workforce and the expected growth of the Company, and a significant portion of goodwill is not deductible for tax purposes.

Costs incurred by the Company related to the Silver Lake Transaction were primarily composed of deferred financing costs associated with the new financing structure which have been capitalized within long-term debt in the accompanying condensed consolidated balance sheets (see Note 6) and approximately $31.8 million of closing costs which have been recorded in transaction expenses, change in control in the accompanying condensed consolidated statements of operations and comprehensive income (loss). Seller related costs were recorded as transaction expenses in the Predecessor period, Silver Lake related costs were pushed down to the Company in the Successor period.

Pro Forma Results

The following summary, prepared on a pro forma basis pursuant to ASC 805, presents the Company's condensed consolidated results of operations for the three and nine months ended September 30, 2020 as if the Silver Lake Transaction had been completed on January 1, 2020. 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 Silver Lake Transaction. 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 Silver Lake Transaction been consummated as of January 1, 2020.

(in thousands)	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2020
Revenue	$ 136,778	$ 352,610
Net income (loss)	$ 535	$ (41,409)

March 2021 UK Acquisition

In March 2021, the Company, through its wholly-owned subsidiary in the United Kingdom, entered into an agreement to acquire certain assets comprising the United Kingdom background screening business unit from GB Group plc for £5.4 million, or approximately $7.6 million. The transfer of ownership became effective on March 31, 2021 and established the Company as one of the largest background screening providers in the region. The acquired assets were 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 March 31, 2021. The allocation was finalized as of June 30, 2021 and no adjustments were recorded to the Company's previously recognized fair values.

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

Consideration	
Cash	$7,588
Property and equipment, including software developed for internal use	$1,543
Customer lists	2,951
Deferred tax liability	(26)
Total identifiable net assets	$4,468
Goodwill	$3,120

Goodwill recognized in the March 2021 UK Acquisition is primarily attributable to assembled workforce and the expected growth of the Company and is not deductible for tax purposes.

Note 4. Property and Equipment, net

Property and equipment, net as of September 30, 2021 (Successor) and December 31, 2020 (Successor) consisted of the following (in thousands):

	Successor September 30, 2021	Successor December 31, 2020
Furniture and equipment	$ 18,687	$ 15,214
Capitalized software for internal use, acquired by business combination	221,405	220,000
Capitalized software for internal use, developed internally or otherwise purchased	31,824	14,438
Leasehold improvements	3,000	2,402
Total property and equipment	274,916	252,054
Less: accumulated depreciation and amortization	(113,586)	(61,772)
Property and equipment, net	$ 161,330	$ 190,282

Depreciation and amortization expense of property and equipment was approximately $17.4 million and $16.9 million for the three months ended September 30, 2021 and 2020 (Successor), respectively. Depreciation and amortization expense of property and equipment was approximately $51.4 million, $45.0 million, and $1.3 million for the nine months ended September 30, 2021 (Successor), the period from February 1, 2020 through September 30, 2020 (Successor), and the period from January 1, 2020 through January 31, 2020 (Predecessor), respectively.

Note 5. Goodwill, Trade Name, and Customer Lists

The changes in the carrying amount of goodwill for the nine months ended September 30, 2021 (Successor) were as follows (in thousands):

Successor:	
Balance – December 31, 2020	$770,089
Acquisitions	3,120
Foreign currency translation	(540)
Balance – September 30, 2021	$772,669

The following summarizes the gross carrying value and accumulated amortization for the Company's trade name and customer lists as of September 30, 2021 (Successor) and December 31, 2020 (Successor) (in thousands):

	September 30, 2021 (Successor)			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Useful Life (in years)
Trade name	$ 95,171	$ (13,480)	$ 81,691	20 years
Customer lists	503,788	(114,572)	389,216	14 years
Total	$ 598,959	$ (128,052)	$ 470,907	

	December 31, 2020 (Successor)			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Useful Life (in years)
Trade name	$ 95,230	$ (7,528)	$ 87,702	20 years
Customer lists	501,210	(65,549)	435,661	14 years
Total	$596,440	$ (73,077)	$523,363	

Amortization expense of trade name and customer lists was approximately $18.4 million and $19.9 million for the three months ended September 30, 2021 and 2020 (Successor), respectively. Amortization expense of trade name and customer lists was approximately $55.1 million, $52.8 million, and $0.8 million for the nine months ended September 30, 2021 (Successor), the period from February 1, 2020 through September 30, 2020 (Successor), and the period from January 1, 2020 through January 31, 2020 (Predecessor), respectively.

Note 6. Long-term Debt

The fair value of the Company's long-term debt obligations approximated their book value as of September 30, 2021 (Successor) and December 31, 2020 (Successor) and consisted of the following (in thousands):

	Successor September 30, 2021	Successor December 31, 2020
Successor First Lien Credit Facility	$ 564,724	$ 666,650
Successor Second Lien Credit Facility	—	145,000
Total debt	564,724	811,650
Less: Current portion of long-term debt	—	(6,700)
Total long-term debt	564,724	804,950
Less: Deferred financing costs	(10,319)	(26,345)
Long-term debt, net	$ 554,405	$ 778,605

On January 31, 2020, prior to the Silver Lake Transaction, the Company repaid $34.0 million of the Predecessor first lien facility. The remaining Predecessor first lien facility and Predecessor second lien facility were fully repaid at the time of the Silver Lake Transaction. As a result of this refinancing, a loss on extinguishment of debt of $10.5 million was recorded in the period from January 1, 2020 through January 31, 2020 (Predecessor).

As part of the Silver Lake Transaction, a new financing structure was established consisting of a new First Lien Credit Agreement ("Successor First Lien Agreement") and a new Second Lien Credit Agreement ("Successor Second Lien Agreement") (collectively, the "Successor Credit Agreements"). The Successor First Lien Agreement provided financing in the form of a $670.0 million term loan due January 31, 2027, carrying an interest rate of 3.25% to 3.50%, based on the first lien leverage ratio, plus LIBOR ("Successor First Lien Credit Facility") and a new $75.0 million revolving credit facility due January 31, 2025 ("Successor Revolver"). The Successor First Lien Credit Facility requires mandatory quarterly repayments of 0.25% of the original loan balance commencing September 30, 2020. Beginning with the year ending December 31, 2021, the Successor First Lien Credit Facility requires mandatory payments based on calculated excess cash flow, as defined within the Successor First Lien Credit Agreement. The Successor Second Lien Agreement provided financing in the form of a $145.0 million term loan due January 31, 2028, carrying an interest rate of 8.50% plus LIBOR ("Successor Second Lien Credit Facility"). The Successor Credit Agreements are 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 Successor Revolver exceeds 35% 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.

In February 2021, the Company refinanced its Successor First Lien Credit Facility at an increased principal amount of $766.6 million due January 31, 2027, carrying a reduced interest rate of 3.00% to 3.25%, based on the first lien leverage ratio, plus LIBOR. No changes were made to the associated revolving credit facility due January 31, 2025. In connection with the refinancing of the Successor First Lien Credit Facility, the Company fully repaid its Successor Second Lien Credit Facility. As a result of these transactions the Company recorded a total loss on extinguishment of debt of $13.9 million, composed of the write-off of unamortized deferred financing costs plus a prepayment premium, accrued interest, and other fees.

In connection with the closing of the IPO, on June 30, 2021 the Company repaid $200.0 million of its Successor First Lien Credit Facility outstanding, of which $44.3 million was applied to the remaining quarterly principal payments due under the Successor First Lien Agreement. As a result of the IPO, the Company's interest rate under the Successor First Lien Credit Facility was reduced by 0.25% to a range of 2.75% to 3.00%, based on the first lien ratio, plus LIBOR. The remaining $564.7 million term loan is scheduled to mature on January 31, 2027. As a result of the prepayment, the Company recorded additional interest expense of $3.7 million associated with the accelerated amortization of the related deferred financing costs.

Additionally, in connection with the closing of the IPO, the Company entered into an amendment that increased the borrowing capacity under the Successor Revolver from $75.0 million to $100.0 million and extended the maturity date from January 31, 2025 to July 31, 2026. As of September 30, 2021, the Company had no outstanding amounts under the Successor Revolver, and therefore was not subject to the consolidated first lien leverage ratio covenant and was compliant with all other covenants under the agreement.

Note 7. Derivatives

In February 2020, the Company entered into an interest rate collar agreement with a counterparty bank in order to reduce its exposure to interest rate volatility. In this agreement, the Company and the counterparty bank agreed to a one-month LIBOR floor of 0.48% and a cap of 1.50% on a portion of the Company's Successor First Lien Credit Facility. The notional amount of this agreement is $405.0 million through February 2022 at which time the notional amount reduces to $300.0 million through February 2024.

The following is a summary of location and fair value of the financial position and location and amount of gains and losses recorded related to the derivative agreement (in thousands):

		Fair Value			Gain/(Loss)			
Derivatives not designated as hedging instruments	Balance Sheet Location	As of September 30, 2021 (Successor)	As of December 31, 2020 (Successor)	Income Statement Location	Three Months Ended September 30, 2021 (Successor)	Three Months Ended September 30, 2020 (Successor)	Nine Months Ended September 30, 2021 (Successor)	Period from February 1, 2020 through September 30, 2020 (Successor)
Interest rate swaps	Other liabilities	$ 1,646	$ 3,615	Interest expense	$ (108)	$ 744	$ 845	$ (4,412)

Note 8. Income Taxes

Prior to the Silver Lake Transaction, the Company was not a taxable entity. However, the Company's wholly owned C-corporation subsidiaries were taxable entities. In connection with the Silver Lake Transaction, the Company became a U.S. domiciled corporation for tax purposes. The Company's income tax expense and balance sheet accounts reflect the results of the Company and its subsidiaries.

For the nine months ended September 30, 2021 (Successor), 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. For the six months ended June 30, 2021 (Successor), the Company calculated the income taxes based on the actual year-to-date effective tax rate because the Company's projected pretax book income for the year was expected to be near breakeven and the annual effective tax rate became inherently volatile. Therefore, an adjustment was required in the third quarter to record the year-to-date income tax benefit consistent with the annual effective tax rate.

The effective income tax rate for the three and nine months ended September 30, 2021 (Successor) was 17.3% and 75.3%, respectively. The Company's effective income tax rate for the three months ended September 30, 2021 (Successor) was lower than the U.S. federal statutory rate of 21%, primarily due to the impact of applying the annual effective tax rate in the third quarter which was reflected in the quarter to date amount, an increase of research and development tax credits, and a favorable discrete income tax adjustment from certain changes in estimate as a result of filing certain prior year tax returns. The Company's effective income tax rate for the nine months ended September 30, 2021 (Successor) was higher than the U.S. federal statutory rate of 21%, primarily due to the increase of the foreign income tax as a result of increased foreign income in various foreign tax jurisdictions, the increase of the deferred income tax liability on intangibles as a result of the UK corporate income tax rate increase, foreign withholding tax, and increased U.S. state income tax expenses for the nine months ended September 30, 2021 (Successor). These items were partially offset by an increase of research and development tax credits and a favorable discrete adjustment from the finalization of the 2020 income tax returns.

The Company's effective income tax rate for the three months ended September 30, 2020 (Successor), the period February 1, 2020 through September 30, 2020 (Successor), and for the period January 1, 2020 through January 31, 2020 (Predecessor) was 45.6%, 21.4%, and 2.3%, respectively. The Company's effective income tax rate for the three months ended September 30, 2020 (Successor) differs from the U.S. Federal statutory rate of 21% primarily due to tax benefits resulting from the Global Intangible Low-Taxed Income ("GILTI") high-tax exclusion election and research and development tax credits, partially offset by the impact of state income taxes. The lower effective income tax rate for the period January 1, 2020 through January 31, 2020 (Predecessor) compared to the period February 1, 2020 through September 30, 2020 (Successor) and the three and nine months ended September 30, 2021 (Successor) was primarily due to the change of the Company's valuation allowance on certain deferred tax assets, nondeductible transaction costs, and variations in jurisdictional earnings in the period from January 1, 2020 through January 31, 2020 (Predecessor).

Note 9. Revenues

Performance obligations

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, revenue 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.

Accordingly, in any period, the Company does not recognize a significant amount of revenues from performance obligations satisfied or partially satisfied in prior periods and the amount of such revenues recognized during the three and nine months ended September 30, 2021 (Successor), the three months ended September 30, 2020 (Successor), the period from February 1, 2020 through September 30, 2020 (Successor), and the period from January 1, 2020 through January 31, 2020 (Predecessor) were immaterial.

Disaggregation of revenues

The Company bases revenues by geographic region in which the revenues and invoicing are recorded. The following summarizes revenues by geographical region (in thousands):

	Three-Month Period		Nine-Month Period		
	Successor				Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Period from February 1, 2020 through September 30, 2020	Period from January 1, 2020 through January 31, 2020
Revenues					
North America	$ 158,972	$ 125,757	$ 421,795	$ 285,823	$ 32,411
International	35,595	11,991	82,237	32,335	4,665
Eliminations	(1,700)	(970)	(4,269)	(2,333)	(291)
Total revenues	$ 192,867	$ 136,778	$ 499,763	$ 315,825	$ 36,785

Contract assets and liabilities

The contract asset balance was $11.6 million and $4.2 million as of September 30, 2021 (Successor) and December 31, 2020 (Successor), respectively, and is included in accounts receivable, net in the accompanying condensed consolidated balance sheets. The contract liability balance was $0.5 million and $0.4 million as of September 30, 2021 (Successor) and December 31, 2020 (Successor), respectively, and is included in deferred revenue in the accompanying condensed consolidated balance sheets. An immaterial amount of revenue was recognized in the current period related to the beginning balance of deferred revenue.

Concentrations

The Company did not have any customers which represented 10% or more of consolidated revenues for the three and nine months ended September 30, 2021 (Successor) and the period from January 1, 2020 through January 31, 2020 (Predecessor). The Company had one customer which represented approximately 12% and 11% of consolidated revenues for the three months ended September 30, 2020 (Successor) and for the period from February 1, 2020 through September 30, 2020 (Successor), respectively. No other customer represented 10% or more of revenue for such periods. Additionally, the Company did not have any customers which represented 10% or more of consolidated accounts receivable, net for any period presented. Other than the United States, no single country accounted for 10% or more of our total revenues during these periods.

Note 10. Share-based Compensation

Prior to the Silver Lake Transaction, all share-based awards were issued to employees under the STG-Fairway Holdings, LLC Equity Incentive Plan (“Predecessor Plan”). This plan was dissolved as of the closing date of the Silver Lake Transaction. After the Silver Lake Transaction and prior to the 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 “Successor Plan”).

First Advantage Corporation
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 income (loss) as follows (in thousands):

	Three-Month Period		Nine-Month Period		
	Successor				Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Period from February 1, 2020 through September 30, 2020	Period from January 1, 2020 through January 31, 2020
Share-based compensation expense					
Cost of services	$ 3	$ 28	$ 76	$ 69	$ 156
Product and technology expense	55	50	176	127	—
Selling, general, and administrative expense	1,285	452	4,317	1,135	3,820
Total share-based compensation expense	$ 1,343	$ 530	$ 4,569	$ 1,331	$ 3,976

Predecessor Plan

Class B awards issued under the Predecessor Plan consisted of options and profits interests and generally vested over five years at a rate of 20% per year. The Class B options issued under the Predecessor Plan generally expired ten years after the grant date.

Class C awards issued under the Predecessor Plan consisted of options and profits interests and generally vested based on two criteria (50% each): (1) Time — awards vested over five years at a rate of 20% per year; and (2) Performance — awards vested based on the Company achieving certain revenue growth and EBITDA targets or on achieving certain enterprise value targets upon the sale of the Company. The Class C options issued under the Predecessor Plan generally expired ten years after the grant date.

There were 1,700,051 Class B profits interests and 12,621,955 Class C profits interests under the Predecessor Plan for the period from January 1, 2020 through January 31, 2020 (Predecessor). As of January 31, 2020, all profit interest grants were vested.

As a result of the Silver Lake Transaction, certain awards issued under the Predecessor Plan were granted accelerated vesting upon the closing of the transaction. In accordance with ASC 718, Compensation – Stock Compensation, the Company recorded the additional associated expense of approximately $3.9 million in the period from January 1, 2020 through January 31, 2020 (Predecessor). All remaining unvested awards were forfeited.

Successor Plan

Awards issued under the Successor Plan consist of options and profits interests and vest based on two criteria (50% each): (1) Time — awards vest over five years at a rate of 20% per year; and (2) Performance — awards vest based upon a combination of the five year time vesting, subject to the Company's investors receiving a targeted money-on-money return. Options issued under the Successor Plan generally expire ten years after the grant date. No awards were issued under the plan during the period from January 1, 2021 through September 30, 2021 (Successor).

Prior to the IPO, the fair value for awards granted during the period from February 1, 2020 through September 30, 2020 (Successor) was estimated at the date of grant using the Black-Scholes option-pricing model with the following weighed average assumptions:

	2020 Class B	2020 Class C
Expected stock price volatility	30.57%	30.08%
Risk-free interest rate	1.36%	1.47%
Expected term (in years)	6.25	6.25
Estimated fair-value of the underlying unit	$ 10.00	$ 10.00

A summary of the profits interest unit activity under the Successor Plan for the period from January 1, 2021 to September 30, 2021 (Successor) is as follows:

		Class C Units
December 31, 2020	Grants outstanding	3,858,048
	Exchanged for common stock in the Company	(411,720)
	Exchanged for restricted stock in the Company	(3,446,328)
September 30, 2021	Grants outstanding	—

A summary of the option unit activity under the Successor Plan for the period from January 1, 2021 to September 30, 2021 (Successor) is as follows:

		Options	Weighted Average Exercise Price
December 31, 2020	Grants outstanding	2,733,734	$ 10.06
	Exercised	(24,112)	$ 10.00
	Forfeited	(107,168)	$ 10.00
	Exchanged for options in the Company	(2,602,454)	$ 10.07
September 30, 2021	Grants outstanding	—	

In connection with the Company's IPO, the Company's parent was dissolved. Awards issued by the Company's parent were converted in accordance with non-discretionary anti-dilution provisions of the Successor grants as follows:

- All vested outstanding profits interest grants issued by the Company's parent were converted to common stock in the Company and all unvested outstanding profits interest grants issued by the Company's parent were converted to restricted stock in the Company under the 2021 Omnibus Incentive Plan (the "2021 Equity Plan"). The number of common stock and restricted stock shares issued to each profits interest holder was ratably adjusted to preserve the fair value of the awards. Additionally, the vesting conditions and equity classification of the awards remained unchanged as a result of the conversion.

- All outstanding stock option grants issued by the Company's parent were converted into stock options issued by the Company under the terms of the individual grant agreements. The number of options granted and the strike price of the options was ratably adjusted using an exchange ratio calculated to preserve the fair value of the awards. Additionally, the vesting, vesting conditions, and equity classification of the awards remained unchanged as a result of the conversion.

		Options	Weighted Average Exercise Price
December 31, 2020	Grants outstanding	—	$ —
	Grants issued in exchange for options in the Company's Parent	3,938,491	$ 6.65
	Grants exercised	(28,262)	$ 6.61
	Grants cancelled/forfeited	(283,816)	$ 6.61
September 30, 2021	Grants outstanding	3,626,413	$ 6.63
September 30, 2021	Grants vested	349,018	$ 6.61
September 30, 2021	Grants unvested	3,277,395	$ 6.63

2021 Equity Plan

In connection with the IPO, the Company adopted the 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, and restricted stock units, and other equity-based or cash-based awards as determined by the Company's Compensation Committee. The 2021 Equity Plan has 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 September 30, 2021, 11,339,126 shares were available for issuance under the 2021 Equity Plan.

Stock Options

Stock options issued immediately prior to the IPO under this 2021 Equity Plan vest based on two criteria (50% each): (1) Time — awards vest over five years at a rate of 20% per year; and (2) Performance — awards vest based upon a combination of the five year time vesting, subject to the Company's investors receiving a targeted money-on-money return. Options issued under the 2021 Equity Plan generally expire ten years after the grant date.

A summary of the option activity under the 2021 Equity Plan for the period from June 21, 2021 (the effective date of the 2021 Equity Plan) to September 30, 2021 (Successor) is as follows:

		Options	Weighted Average Exercise Price
June 21, 2021	Grants outstanding	—	$ —
	Grants issued	3,222,790	$ 15.00
September 30, 2021	Grants outstanding	3,222,790	$ 15.00
September 30, 2021	Grants vested	343,926	$ 15.00
September 30, 2021	Grants unvested	2,878,864	$ 15.00

The fair value for options granted under the 2021 Equity Plan during the period from June 21, 2021 to September 30, 2021 (Successor) was estimated at the date of grant using the Black-Scholes option-pricing model with the following weighed average assumptions:

	Options
Expected stock price volatility	38.60%
Risk-free interest rate	1.02%
Expected term (in years)	5.84
Estimated fair-value of the underlying unit	$15.00

Restricted Stock Units

Restricted stock units ("RSU") issued under the 2021 Equity Plan generally vested over three years at a rate of one-third per year.

A summary of the RSU activity under the 2021 Equity Plan for the period from June 21, 2021 to September 30, 2021 (Successor) is as follows:

		Shares
June 21, 2021	Nonvested RSUs	—
	Granted	45,000
	Vested	—
September 30, 2021	Nonvested RSUs	45,000

Restricted Stock

The following table summarizes the restricted stock issued by the Company. These include grants of unvested Successor profits interests grants that were converted into restricted stock as described above, as well as restricted stock issued to new recipients. The restricted stock granted as a result of the conversion of Successor profits interests retain the vesting attributes (including original service period vesting start date) of the original award. A summary of the restricted stock activity under the 2021 Equity Plan for the period from June 21, 2021 to September 30, 2021 (Successor) is as follows:

		Shares
June 21, 2021	Nonvested restricted stock	—
	Grants issued in exchange for unvested profits interests in the Company's Parent	2,918,084
	Vested	—
September 30, 2021	Nonvested restricted stock	2,918,084

As of September 30, 2021 (Successor), the Company had approximately $33.1 million of unrecognized pre-tax noncash compensation expense, comprised of approximately $10.4 million related to restricted stock agreements, $0.6 million related to restricted stock units, and approximately $22.1 million related to stock options, which the Company expects to recognize over a weighted average period of 3.3 years.

2021 Employee Stock Purchase Plan

On June 25, 2021, in connection with the IPO, the Company adopted the First Advantage Corporation 2021 Employee Stock Purchase Plan ("ESPP") that 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. During each offering period, there will be one six-month purchase period, which will have the same duration and coincide with the length of the offering period. During the holding period, ESPP purchased shares are not eligible for sale or broker transfer. There were no stock employee purchase offerings during the three and nine months ended September 30, 2021 (Successor) and accordingly no eligible employees were enrolled in the ESPP during the three and nine months ended September 30, 2021 (Successor).

Note 11. Equity

Successor

Following the Silver Lake Transaction the Company operated with one class of stock.

During the period from February 1, 2020 through March 31, 2020 (Successor), the Company's parent received a $50.0 million strategic investment in the Company's equity by Workday, Inc. This investment was contributed to the Company as a capital contribution.

On June 11, 2021, the Company's Board of Directors approved and made effective a 1,300,000-for-one stock split of the Company's common stock and filed an Amended and Restated Certificate of Incorporation, which authorized a total of 1,000,000,000 shares of Common Stock, $0.001 par value per share and 250,000,000 shares of Preferred Stock, par value $0.001 per share (the "Preferred Stock"). The par value per share of common stock remained unchanged at $0.001 per share. Authorized shares were increased from 10,000 shares to 1,000,000,000 shares. The condensed consolidated financial statements and notes give retroactive effect to the stock split for all Successor periods presented. After giving retroactive effect to the stock split, as of December 31, 2020, 130,000,000 shares of common stock were issued and outstanding.

In connection with the IPO, Fastball Holdco, L.P., the Company's parent, was dissolved and all outstanding Class A LP Units, Class B LP Units, and Class C LP Units of Fastball Holdco, L.P. were exchanged for 130,000,000 shares of the Company's common stock.

On June 25, 2021, the Company sold 22,856,250 shares of Common Stock in its IPO, including 2,981,250 shares that were sold pursuant to the full exercise of the underwriters' option to purchase additional shares, at an offering price of $15.00 per share. The Company received aggregate net proceeds of $316.5 million after deducting underwriting discounts and commissions of $22.3 million and other offering expenses of $4.0 million. The Company used a portion of the proceeds to repay $200.0 million of outstanding indebtedness (see Note 6).

As of September 30, 2021, no preferred stock had been issued and 152,870,750 shares of common stock were issued and outstanding.

Predecessor

The Company authorized the issuance of an aggregate of 165,000,000 units consisting of three classes of units as follows: 140,000,000 Class A units, 7,500,000 Class B units, and 17,500,000 Class C units. All units had no par value.

Class A Units — During the Predecessor period, 140,000,000 Class A units were authorized and 138,714,853 units were issued. These units represented the most preferred class of equity and entitled the holders to the return of their capital contributions before amounts were distributed with respect to any other units.

Class B Units — During the Predecessor period, 7,500,000 Class B units were authorized and 1,700,051 units were issued. These units represented common equity in that they provided rights to distributions junior to the A Units. These units reflected an equity interest in the entire company and were used for share-based compensation purposes.

Class C Units — During the Predecessor period, 17,500,000 Class C units were authorized and 9,271,556 units were issued. These units represented common equity in that they provided rights to distributions junior to the A Units. These units represented an equity interest in the entire Company with rights to distributions from earnings generated only by the Company's screening business. Class C units were used for share-based compensation purposes.

Note 12. Commitments and Contingencies

Except for certain changes to our debt agreements previously discussed in Note 6, there have been no material changes to the Company's contractual obligations as compared to December 31, 2020 (Successor).

Litigation — 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, could become 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 $8.1 million at September 30, 2021 (Successor) and December 31, 2020 (Successor) for matters that it believes a loss is both probable and estimable. This is included in accrued liabilities in the accompanying condensed consolidated balance sheets.

In June 2014 and September 2015, two separate class action cases were filed against the Company in the State of California. The two cases are now being coordinated together under a single judge and a settlement agreement has been agreed to, pending final court approval. As a result, the Company has recorded a total liability of $6.3 million for these two cases at September 30, 2021 (Successor) and December 31, 2020 (Successor). This liability represents the Company's agreed-upon settlement amount and related class action administrative fees. Additionally, the Company maintains liability insurance programs to manage its litigation risks and the Company's insurers have agreed to a single deductible to be applied to the two cases. As a result, the Company has recorded a total insurance recoverable asset of $2.2 million for these two cases at September 30, 2021 (Successor) and December 31, 2020 (Successor), which represents the portion of the legal settlement and legal fees incurred expected to be recovered from the Company's insurers. This is included in prepaid expenses and other current assets 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

Successor

The Company has no material related party transactions.

Predecessor

In the ordinary course of business in the Predecessor period, the Company entered into transactions with related parties, primarily with STG and one of STG's other investments, Symphony Talent, LLC.

Total expenses recorded and paid to STG, primarily related to healthcare premiums, were $0.0 million for the period from January 1, 2020 through January 31, 2020 (Predecessor). In January 2020, the Company and STG entered into a Termination Agreement, in which all obligations and liabilities under the benefits arrangement were cancelled.

In January 2020, the Company and Symphony Talent, LLC entered into a Debt Forgiveness Agreement in which the Company forgave a loan receivable, including accrued interest and other transaction related receivables, that the Company had previously fully impaired in 2018.

Note 14. Net Income (Loss) Per Share

For the period from January 1, 2020 through January 31, 2020 (Predecessor), the Company had Class B options, Class C options, and Class C profits interests issued under the Predecessor Plan. The potentially dilutive securities outstanding during this period had an anti-dilutive effect and were therefore not included in the calculation of diluted net (loss) per unit for the period. For Successor periods, 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 Company did not have any potentially dilutive securities during the period from February 1, 2020 through September 30, 2020 (Successor). Basic and diluted net income (loss) per share was calculated as follows:

	Three-Month Period		Nine-Month Period		
	Successor				Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Period from February 1, 2020 through September 30, 2020	Period from January 1, 2020 through January 31, 2020
Basic net income (loss) per share	$ 0.11	$ (0.03)	$ 0.00	$ (0.32)	n/a
Diluted net income (loss) per share	$ 0.11	$ (0.03)	$ 0.00	$ (0.32)	n/a
Numerator:					
Net income (loss) (in thousands)	$ 16,285	$ (3,452)	$ 666	$ (41,632)	n/a
Denominator:					
Weighted average number of shares outstanding - basic	149,943,998	130,000,000	137,232,289	130,000,000	n/a
Add options and restricted stock units to purchase units	2,456,421	—	938,199	—	n/a

First Advantage Corporation
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Three-Month Period		Nine-Month Period		
	Successor				Predecessor
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Period from February 1, 2020 through September 30, 2020	Period from January 1, 2020 through January 31, 2020
Weighted average number of shares outstanding - diluted	152,400,419	130,000,000	138,170,488	130,000,000	n/a
Basic net (loss) per unit	n/a	n/a	n/a	n/a	$ (0.24)
Diluted net (loss) per unit	n/a	n/a	n/a	n/a	$ (0.24)
Numerator:					
Net (loss)	n/a	n/a	n/a	n/a	$ (36,530)
Denominator:			n/a		
Weighted average units outstanding - basic	n/a	n/a	n/a	n/a	149,686,460
Add options and restricted stock units to purchase units	n/a	n/a	n/a	n/a	—
Weighted average units outstanding - diluted	n/a	n/a	n/a	n/a	149,686,460

Note 15. Subsequent Events

On November 5, 2021, the Company entered into a definitive agreement to acquire 100% of the equity interest of Corporate Screening Services, Inc. (“Corporate Screening”), a U.S.-based healthcare and higher education focused screening and compliance solutions provider headquartered in Cleveland, Ohio. This acquisition strengthens the Company’s healthcare and higher education solutions by adding technology and expertise tailored to those customers.

On November 6, 2021, the Company entered into a definitive agreement to acquire 100% of the equity interest of MultiLatin Advisors, S.A. de C.V. (“MultiLatin”), a Mexico-based background screening and verifications provider. This acquisition strategically expands the Company’s presence in Latin America.

These cash transactions have a total purchase price of approximately $41.2 million and are expected to be completed in the fourth quarter of 2021, subject to customary closing conditions and working capital adjustments.

15,000,000 shares

First Advantage Corporation

Common Stock

Prospectus

, 2021

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the expenses payable by the Registrant expected to be incurred in connection with the issuance and distribution of common stock being registered hereby (other than the underwriting discounts and commissions). All of such expenses are estimates, except for the Securities and Exchange Commission, or the SEC, registration fee and the Financial Industry Regulatory Authority Inc., or FINRA, filing fee.

(dollars in thousands)	
SEC registration fee	$ 30,379
FINRA filing fee	49,656
Printing fees and expenses	150,000
Legal fees and expenses	1,000,000
Accounting fees and expenses	400,000
Blue Sky fees and expenses (including legal fees)	50,000
Transfer agent and registrar fees and expenses	15,000
Miscellaneous	204,965
Total	$ 1,900,000

Item 14. Indemnification of Directors and Officers

Section 102(b)(7) of the Delaware General Corporation Law, or the DGCL, allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our amended and restated certificate of incorporation provides for this limitation of liability.

Section 145 of the DGCL, or Section 145, provides, among other things, that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation’s best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. A Delaware corporation may indemnify any persons who were or are a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation’s best interests, provided further that no indemnification is permitted without judicial approval if the officer, director, employee or agent is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses (including attorneys’ fees) which such officer or director has actually and reasonably incurred.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would otherwise have the power to indemnify such person under Section 145.

Our amended and restated bylaws provide that we must indemnify, and advance expenses to, our directors and officers to the full extent authorized by the DGCL. We have entered into indemnification agreements with our directors, which agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our amended and restated certificate of incorporation, our amended and restated bylaws, agreement, vote of stockholders or disinterested directors or otherwise. Notwithstanding the foregoing, we shall not be obligated to indemnify a director or officer in respect of a proceeding (or part thereof) instituted by such director or officer, unless such proceeding (or part thereof) has been authorized by our board of directors pursuant to the applicable procedure outlined in the amended and restated bylaws.

Section 174 of the DGCL provides, among other things, that a director, who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held jointly and severally liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time may avoid liability by causing his or her dissent to such actions to be entered in the books containing the minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

We expect to maintain standard policies of insurance that provide coverage (1) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (2) to us with respect to indemnification payments that we may make to such directors and officers.

The underwriting agreement provides for indemnification by the underwriters of us and our officers and directors, and by us of the underwriters, for certain liabilities arising under the Securities Act or otherwise in connection with this offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us under any of the foregoing provisions, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 15. Recent Sales of Unregistered Securities

Within the past three years, the Registrant has granted or issued the following securities of the Registrant which were not registered under the Securities Act:

On November 19, 2019, the Registrant issued 100 shares of common stock to Fastball Holdco, L.P. at a price of $0.01 per share, for an aggregate purchase price of $1.00, in connection with the Silver Lake Transaction.

The sale of the above securities were exempt from the registration requirements of the Securities Act as transactions by an issuer not involving a public offering in reliance on Section 4(a)(2) of the Securities Act. No sales involved underwriters, underwriting discounts or commissions or public offerings of securities of the Registrant.

The information presented in this Item 15 does not give effect to the 1,300,000-for-1 forward stock split that was effectuated on June 11, 2021.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits.

See the Exhibit Index immediately preceding the signature pages hereto, which is incorporated by reference as if fully set forth herein.

(b) Financial Statement Schedules.

None.

Item 17. Undertakings.

(1) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(2) The undersigned Registrant hereby undertakes that:

(A) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(B) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

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EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of First Advantage Corporation (incorporated herein by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on June 25, 2021).
3.2	Amended and Restated Bylaws of First Advantage Corporation (incorporated herein by reference to Exhibit 3.2 of the Registrant's Current Report on Form 8-K filed on June 25, 2021).
5.1*	Opinion of Simpson Thacher & Bartlett LLP regarding validity of the shares of common stock registered.
10.1†	First Advantage Corporation 2021 Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 10.3 of the Registrant's Current Report on 8-K filed on June 25, 2021).
10.2†	First Advantage Corporation 2021 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.2 of the Registrant's Quarterly Report on 10-Q filed on August 12, 2021).
10.3†	Form of Standard Option Award Agreement under the First Advantage Corporation 2021 Omnibus Incentive Program (incorporated by reference to Exhibit 4.5 filed with the Registrant's Registration Statement on Form S-8 filed on June 25, 2021).
10.4†	Form of Non-Employee Director RSU Award Agreement under the First Advantage Corporation 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 4.6 filed with the Registrant's Registration Statement on Form S-8 filed on June 25, 2021).
10.5†	Form of Restricted Stock Award Agreement under the First Advantage Corporation 2021 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.6 of the Registrant's Quarterly Report on 10-Q filed on August 12, 2021).
10.6†	Form of Top-Up Option Award Agreement under the First Advantage Corporation 2021 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.7 of the Registrant's Quarterly Report on 10-Q filed on August 12, 2021).
10.7†	Form of Restrictive Covenant Agreement under the First Advantage Corporation 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.7 filed with the Registrant's Registration Statement on Form S-1 filed on June 14, 2021).
10.8†	Form of Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1/A filed on June 14, 2021).
10.9†	Form of IPO Director RSU Award Agreement under the First Advantage Corporation 2021 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.9 of the Registrant's Quarterly Report on 10-Q filed on August 12, 2021).
10.10†	Form of Option Conversion Notice (incorporated by reference to Exhibit 4.12 filed with the Registrant's Registration Statement on Form S-8 filed on June 25, 2021).
10.11†	Employment Offer Letter, dated March 1, 2017, between First Advantage Corporation and Scott Staples (incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
10.10†	Employment Offer Letter, dated August 14, 2015, between First Advantage Corporation and Joseph Jaeger (incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
10.11†	Amendment to Employment Offer Letter, dated May 19, 2016, between First Advantage Corporation and Joseph Jaeger (incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
10.12†	Employment Offer Letter, dated December 17, 2015, between First Advantage Corporation and David L. Gamsey (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).

Exhibit Number	Description
10.13†	Class C LP Unit Grant Agreement, dated February 9, 2020, between Fastball Holdco, L.P. and Scott Staples (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
10.14†	Class C LP Unit Grant Agreement, dated February 9, 2020, between Fastball Holdco, L.P. and Joseph Jaeger (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
10.15†	Class C LP Unit Grant Agreement, dated February 9, 2020, between Fastball Holdco, L.P. and David L. Gamsey (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
10.16†	Option Grant Agreement (Class B LP Units), dated February 9, 2020, among Fastball Holdco, L.P., Bret Jardine and First Advantage Background Services Corp (incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement on Form S-1/A filed on June 14, 2021).
10.17	First Lien Credit Agreement, dated January 31, 2020, among Fastball Parent, Inc., Fastball MergerSub, LLC the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.12 filed with the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
10.18	Amendment No. 1 to First Lien Credit Agreement, dated February 1, 2021, among Fastball Parent, Inc., First Advantage Holdings, LLC, the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.12 filed with the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
10.19	Amendment No. 2 to First Lien Credit Agreement, dated May 28, 2021, among Fastball Parent, Inc., First Advantage Holdings, LLC, the lenders form time to time party thereto, and Bank of America, N.A. as administrative agent (incorporated by reference to Exhibit 10.12 filed with the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
10.20	Stockholders' Agreement, dated as of June 25, 2021, by and among the Company and the stockholders listed on the signature pages thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 25, 2021.
21.1	Subsidiaries of the Registrant (incorporated by reference to Exhibit 10.12 filed with the Registrant's Registration Statement on Form S-1 filed on May 28, 2021).
23.1*	Consent of Deloitte & Touche LLP
23.2*	Consent of Simpson Thacher & Bartlett LLP (included as part of Exhibit 5.1).
23.3*	Consent of Stax Inc.
24.1*	Power of Attorney (included on signature pages to this Registration Statement).
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.
† Compensatory arrangements for director(s) and/or executive officer(s).

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, Georgia, on November 8, 2021.

FIRST ADVANTAGE CORPORATION

By: /S/ SCOTT STAPLES
Name: Scott Staples
Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Bianca Stoica and Bret T. Jardine and each of them, the true and lawful attorneys-in-fact and agents of the undersigned, with full power of substitution and resubstitution, for and in the name, place and stead of the undersigned, to sign in any and all capacities (including, without limitation, the capacities listed below), the registration statement, any and all amendments (including post-effective amendments) to the registration statement and any and all successor registration statements of First Advantage Corporation, including any filings pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and anything necessary to be done to enable First Advantage Corporation to comply with the provisions of the Securities Act and all the requirements of the Securities and Exchange Commission, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute, or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following person in the capacities indicated on November 8, 2021:

Signatures	Title
/S/ SCOTT STAPLES SCOTT STAPLES	Chief Executive Officer & Director (principal executive officer)
/S/ DAVID L. GAMSEY DAVID L. GAMSEY	Executive Vice President & Chief Financial Officer (principal financial officer and principal accounting officer)
/S/ JOSEPH OSNOSS JOSEPH OSNOSS	Director
/S/ SUSAN R. BELL SUSAN R. BELL	Director
/S/ JAMES L. CLARK JAMES L. CLARK	Director
/S/ JOHN RUDELLA JOHN RUDELLA	Director
/S/ JUDITH SIM JUDITH SIM	Director
/S/ BIANCA STOICA BIANCA STOICA	Director

Exhibit 1.1

[ ] shares

First Advantage Corporation

Common Stock

<u>UNDERWRITING AGREEMENT</u>

November [ ], 2021

BARCLAYS CAPITAL INC.
BOFA SECURITIES, INC.
As Representatives of the several
Underwriters named in Schedule I attached hereto (the "***Representatives***")

c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

BofA Securities, Inc.
One Bryant Park
New York, New York 10036

Ladies and Gentlemen:

Certain stockholders of First Advantage Corporation, a Delaware corporation (the "***Company***"), named in Schedule II attached hereto (the "***Selling Stockholders***") propose to sell an aggregate of [ ] shares (the "***Firm Stock***") of the Company's common stock, par value $0.001 per share (the "***Common Stock***"). In addition, the Selling Stockholders propose to grant to the underwriters named in Schedule I (the "***Underwriters***") attached to this agreement (this "***Agreement***") an option to purchase up to an aggregate of [ ] additional shares of the Common Stock on the terms set forth in Section 3 (the "***Option Stock***"). The Firm Stock and the Option Stock, if purchased, are hereinafter collectively called the "***Stock***". This Agreement is to confirm the agreement concerning the purchase of the Stock from the Selling Stockholders by the Underwriters.

1. *Representations, Warranties and Agreements of the Company*. The Company represents, warrants and agrees that:

(a) A registration statement on Form S-1 (File No. 333-[ ]) relating to the Stock has (i) been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "***Securities Act***"), and the rules and regulations of the Securities and Exchange Commission (the "***Commission***") thereunder; (ii) been filed with the Commission under the Securities Act; and (iii) become effective under the Securities Act. Copies of such registration statement and any amendment thereto have been delivered by the Company to you as the representatives (the "***Representatives***") of the Underwriters. As used in this Agreement:

(i) "***Applicable Time***" means [ ] P.M. (New York City time) on November [ ], 2021;

(ii) "***Effective Date***" means the date and time as of which such registration statement was declared effective by the Commission;

(iii) "***Issuer Free Writing Prospectus***" means each "issuer free writing prospectus" (as defined in Rule 433 under the Securities Act) relating to the Stock;

(iv) "***Preliminary Prospectus***" means any preliminary prospectus relating to the Stock included in such registration statement or filed with the Commission pursuant to Rule 424(b) under the Securities Act;

(v) "***Pricing Disclosure Package***" means, as of the Applicable Time, the most recent Preliminary Prospectus, together with the information included in Schedule IV hereto, if any, and each Issuer Free Writing Prospectus filed or used by the Company at or before the Applicable Time, other than a road show that is an Issuer Free Writing Prospectus but is not required to be filed under Rule 433 under the Securities Act;

(vi) "***Prospectus***" means the final prospectus relating to the Stock as filed with the Commission pursuant to Rule 424(b) under the Securities Act;

(vii) "***Registration Statement***" means, collectively, the various parts of such registration statement, each as amended as of the Effective Date for such part, including any Preliminary Prospectus or the Prospectus, all exhibits to such registration statement and including the information deemed by virtue of Rule 430A under the Securities Act to be part of such registration statement as of the Effective Date;

(viii) "***Testing-the-Waters Communication***" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act; and

(ix) "***Written Testing-the-Waters Communication***" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

Any reference to the "most recent Preliminary Prospectus" shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement or filed pursuant to Rule 424(b) under the Securities Act prior to or on the date hereof. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the effectiveness of the Registration Statement, and no proceeding or examination for such purpose has been instituted or, to the Company's knowledge, threatened by the Commission.

(b) From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been an “emerging growth company,” as defined in Section 2(a) of the Securities Act (an “***Emerging Growth Company***”).

(c) The Company has not engaged in any Testing-the-Waters Communication, other than Testing-the-Waters Communications with the consent of the Representatives, with entities that are reasonably believed to be qualified institutional buyers within the meaning of Rule 144A under the Securities Act, or with institutions that are reasonably believed to be accredited investors within the meaning of Rule 501 under the Securities Act. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications other than those listed on Schedule VI hereto.

(d) The Company was not at the time of the initial filing of the Registration Statement and at the earliest time thereafter that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Stock, is not on the date hereof and will not be on the applicable Delivery Date (as defined below), an “ineligible issuer” (as defined in Rule 405 under the Securities Act).

(e) The Registration Statement conformed and will conform in all material respects on the Effective Date and on the applicable Delivery Date, and any amendment to the Registration Statement filed after the date hereof will conform in all material respects when filed, to the requirements of the Securities Act and the rules and regulations thereunder. The most recent Preliminary Prospectus conformed, and the Prospectus will conform, in all material respects when filed with the Commission pursuant to Rule 424(b) under the Securities Act and on the applicable Delivery Date to the requirements of the Securities Act and the rules and regulations thereunder.

(f) The Registration Statement did not, as of the Effective Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Registration Statement in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(g) The Prospectus will not, as of its date or as of the applicable Delivery Date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Prospectus in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(h) The Pricing Disclosure Package did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Pricing Disclosure Package made in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(i) Each Issuer Free Writing Prospectus listed in Schedule V hereto, when taken together with the Pricing Disclosure Package, did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from such Issuer Free Writing Prospectus listed in Schedule V hereto in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(j) No Written Testing-the-Waters Communication, as of the Applicable Time, when taken together with the Pricing Disclosure Package, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from such Written Testing-the-Waters Communication listed on Schedule VI hereto in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(k) Each Issuer Free Writing Prospectus conformed or will conform in all material respects to the requirements of the Securities Act and the rules and regulations thereunder on the date of first use, and the Company has complied with all prospectus delivery and any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Securities Act and rules and regulations thereunder. The Company has not made any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representatives.

(l) The Company and each of its significant subsidiaries (as such term is defined in Rule 1-02 of Regulation S-X promulgated by the Commission) (each, a "***Significant Subsidiary***") have been duly organized, is validly existing and in good standing as a corporation or other business entity under the laws of its jurisdiction of organization and is duly qualified to do business and in good standing as a foreign corporation or other business entity in each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification, except where the failure to be so qualified or in good standing would not, in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise), results of operations, stockholders' equity, properties or business of the Company and its subsidiaries taken as a whole (a "***Material Adverse Effect***"). The Company and each of its subsidiaries have all power and authority necessary to own or hold its properties and to conduct the businesses in which it is engaged.

(m) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in each of the most recent Preliminary Prospectus and the Prospectus as of the date or dates set forth therein, and all of the issued shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and non-assessable and were issued in compliance with federal and state securities laws and not in violation of any preemptive right, resale right, right of first refusal or similar right other than those that have been waived. All of the issued shares of capital stock or other ownership interest of each Significant Subsidiary have been duly authorized and validly issued, are fully paid and non-assessable (to the extent such concepts are applicable under relevant law) and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except for such liens, encumbrances, equities or claims as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(n) The shares of Stock to be sold by the Selling Stockholders to the Underwriters hereunder will be sold in compliance with federal and state securities laws.

(o) The Company has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly and validly authorized, executed and delivered by the Company.

(p) The execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, impose any lien, charge or encumbrance upon any property or assets of the Company and its subsidiaries, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, license, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound; (ii) result in any violation of the provisions of the charter or by-laws (or similar organizational documents) of the Company or any of its subsidiaries; or (iii) result in any violation of any statute or any judgment, order, decree, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries, except, with respect to clauses (i) and (iii), conflicts or violations that would not reasonably be expected to have a Material Adverse Effect.

(q) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets is required for the execution, delivery and performance of this Agreement by the Company or the consummation of the transactions contemplated hereby, except (i) such consents, approvals, authorizations, orders, filings, registrations or qualifications as have previously been obtained, (ii) the registration of the Stock under the Securities Act, and (iii) such consents, approvals, authorizations, orders, filings, registrations or qualifications as may be required under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), and applicable state securities laws and/or the bylaws and rules of the Financial Industry Regulatory Authority, Inc. (the "***FINRA***") in connection with the purchase and sale of the Stock by the Underwriters, and (iv) as would not reasonably be expected to have a Material Adverse Effect or would not, in the aggregate, reasonably be expected to have a Material Adverse Effect on the performance of this Agreement or the consummation of the transactions contemplated hereby.

(r) The historical financial statements (including the related notes and any supporting schedules) included in the most recent Preliminary Prospectus comply as to form in all material respects with the requirements of Regulation S-X under the Securities Act and present fairly the financial condition, results of operations and cash flows of the entities purported to be shown thereby at the dates and for the periods indicated and have been prepared in conformity with U.S. generally accepted accounting principles ("***GAAP***") applied on a consistent basis throughout the periods involved.

(s) The pro forma financial statements included in the most recent Preliminary Prospectus include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma financial statements included in the most recent Preliminary Prospectus. The pro forma financial statements included in the most recent Preliminary Prospectus comply as to form in all material respects with the applicable requirements of Regulation S-X under the Securities Act.

(t) Deloitte & Touche LLP, who have certified certain financial statements of the Company and its consolidated subsidiaries, whose report appears in the most recent Preliminary Prospectus and who have delivered the initial letter referred to in Section 9(h) hereof, are independent public accountants as required by the Securities Act and the rules and regulations thereunder.

(u) The Company and each of its subsidiaries, taken as a whole, maintain internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization, (ii) transactions are recorded as necessary to permit preparation of the Company's financial statements in conformity with GAAP and to maintain accountability for its assets, (iii) access to the Company's assets is permitted only in accordance with management's general or specific authorization, (iv) the recorded accountability for the Company's assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (v) the interactive data in eXtensible Business Reporting Language included in the Pricing Disclosure Package and the Prospectus fairly present the information called for in all material respects and are prepared in accordance with the Commission's rules and guidelines applicable thereto. As of the date of the most recent balance sheet of the Company and its consolidated subsidiaries reviewed or audited by Deloitte & Touche LLP and the Audit Committee of the board of directors of the Company, the Company is not aware of any material weaknesses in the Company's internal controls.

(v) The Company, on a consolidated basis, maintains an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act) that complies with the requirements of the Exchange Act applicable to the Company and that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to provide reasonable assurances that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

(w) Since the date of the most recent balance sheet of the Company and its consolidated subsidiaries reviewed or audited by Deloitte & Touche LLP and the Audit Committee, (i) the Company has not been advised of or become aware of (A) any significant deficiencies in the design or operation of internal controls that would adversely affect the ability of the Company or any of its subsidiaries to record, process, summarize and report financial data, or any material weaknesses in internal controls, or (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of the Company and each of its subsidiaries; and (ii) there have been no significant changes in internal controls or in other factors that would significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(x) To the extent applicable to the Company on the date hereof, there is and has been no failure on the part of the Company and any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (it being understood that this subsection shall not require the Company to comply with any provision of the Sarbanes-Oxley Act of 2002 or the rules and regulations promulgated in connection therewith as of an earlier date than it would otherwise be required to so comply under applicable law).

(y) Except as described in the most recent Preliminary Prospectus, since the date of the latest audited financial statements included in the most recent Preliminary Prospectus, neither the Company nor any of its subsidiaries, taken as a whole, has (i) sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree (whether domestic or foreign), (ii) incurred any material liability or obligation, direct or contingent, other than liabilities and obligations that were incurred in the ordinary course of business, (iii) entered into any material transaction not in the ordinary course of business, or (iv) declared or paid any dividend on its capital stock, and since such date, there has not been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the properties, management, financial position or results of operations, or business of the Company and its subsidiaries taken as a whole.

(z) The Company and each of its subsidiaries have, and are operating in compliance with, such permits, licenses, franchises, certificates of need and other approvals or authorizations of governmental or regulatory authorities ("***Permits***") as are necessary under applicable law to own their properties and conduct their businesses in the manner described in the most recent Preliminary Prospectus, except for any of the foregoing that would not, in the aggregate, reasonably be expected to have a Material Adverse Effect or except as described in the most recent Preliminary Prospectus. The Company and each of its subsidiaries have fulfilled and performed all of their respective obligations with respect to the Permits, and no event has occurred that allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other impairment of the rights of the holder or any such Permits, except for any of the foregoing that would not reasonably be expected to have a Material Adverse Effect or except as described in the most recent Preliminary Prospectus. Neither the Company nor any of its subsidiaries has received notice of any revocation, non-renewal or modification of any such Permits or has any reason to believe that any such Permits will not be renewed in the ordinary course, in each case which, singly or in the aggregate, as a result of an unfavorable decision, ruling or finding, would reasonably be expected to result in a Material Adverse Effect.

(aa) Except as would not reasonably be expected to have a Material Adverse Effect, the Company and each of its subsidiaries have good and marketable title in fee simple or good and valid leasehold title, as applicable, to all real property owned or leased by the Company and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects, except such liens, encumbrances and defects as are described in the most recent Preliminary Prospectus or such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries, taken as a whole. All assets held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases, with such exceptions as do not materially interfere with the use made and proposed to be made of such assets by the Company and its subsidiaries.

(bb) Except as described in the most recent Preliminary Prospectus, there are no legal or governmental proceedings pending or, to the Company's knowledge, threatened, to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject that would, in the aggregate, reasonably be expected to have a Material Adverse Effect or would, in the aggregate, reasonably be expected to have a Material Adverse Effect on the performance of this Agreement or the consummation of the transactions contemplated hereby.

(cc) There are no contracts or other documents required under the Securities Act to be described in the Registration Statement or the most recent Preliminary Prospectus or filed as exhibits to the Registration Statement that are not described in all material respects and filed as required. The statements made in the most recent Preliminary Prospectus, insofar as they purport to constitute summaries of the terms of the contracts and other documents described and filed, constitute accurate summaries of the terms of such contracts and documents in all material respects.

(dd) The Company and each of its subsidiaries, taken as a whole, are insured against such losses and risks and in such amounts as are, in the reasonable judgment of the Company, prudent and customary in the businesses in which they are engaged. (A) All policies of insurance of the Company and its subsidiaries are in full force and effect; (B) the Company and each of its subsidiaries are in compliance with the terms of such policies in all material respects; and (C) (i) neither the Company nor any of its subsidiaries has received written notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance; there are no claims by the Company or any of its subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and (ii) neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business, except, with respect to clauses (A), (C)(i) and (C)(ii), as would not reasonably be expected to have a Material Adverse Effect.

(ee) Except as described in the most recent Preliminary Prospectus, no material relationship, direct or indirect, exists between or among the Company, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company, on the other hand, that is required to be described under the Securities Act in the most recent Preliminary Prospectus which is not so described.

(ff) No labor disturbance by or dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent that would reasonably be expected to have a Material Adverse Effect.

(gg) Neither the Company nor any of its subsidiaries (i) is in violation of its charter or by laws (or similar organizational documents), (ii) is in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant, condition or other obligation contained in any indenture, mortgage, deed of trust, loan agreement, license or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject, (iii) is in violation of any law, statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or its property or assets or (iv) has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except in the case of clauses (ii), (iii), and (iv) above, for such defaults or violations as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(hh) Except as described in the most recent Preliminary Prospectus, (i) there are no proceedings that are pending, or, to the knowledge of the Company, contemplated, against the Company or any of its subsidiaries under any laws, regulations, ordinances, rules, orders, judgments, decrees, permits or other legal requirements of any governmental authority, including without limitation any international, foreign, national, state, provincial, regional, or local authority, relating to pollution, the protection of the environment, or natural resources, or to use, handling, storage, manufacturing, transportation, treatment, discharge, disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants ("***Environmental Laws***") in which a governmental authority is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of $300,000 or more will be imposed, (ii) neither the Company nor any of its subsidiaries is aware of any issues regarding compliance with Environmental Laws, including any pending or proposed Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that would reasonably be expected to have a material effect on the capital expenditures, earnings or competitive position of the Company and its subsidiaries or a Material Adverse Effect, and (iii) neither the Company nor any of its subsidiaries anticipates material capital expenditures relating to Environmental Laws.

(ii) Except where any failure to file or pay any tax deficiencies that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, the Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date hereof, subject to permitted extensions, and have paid all taxes due, and no tax deficiency has been determined adversely to the Company or any of its subsidiaries, nor does the Company have any knowledge of any tax deficiencies that have been, or would reasonably be expected to be asserted against the Company.

(jj) (i) Each "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Security Act of 1974, as amended ("***ERISA***")) for which the Company or any member of its "Controlled Group" (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the "***Code***")) would have any liability (each a "***Plan***") has been maintained in compliance with its terms and with the requirements of all applicable statutes, rules and regulations including ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption; (iii) with respect to each Plan subject to Title IV of ERISA (A) no "reportable event" (within the meaning of Section 4043(c) of ERISA) has occurred or is reasonably expected to occur, (B) no failure to meet the minimum funding standard set forth in Sections 412 of the Code and 303 of ERISA, whether or not waived, has occurred or is reasonably expected to occur, (C) no Plan is or is reasonably expected to be in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA), (D) there has been no filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan or the receipt by the Company or any member of its Controlled Group from the PBGC or the Plan administrator of the notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (E) no conditions contained in Section 303(k)(1)(A) of ERISA for the imposition of a lien shall have been met with respect to any Plan, (F) the fair market value of the assets under each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan) and (G) neither the Company or any member of its Controlled Group has incurred, or reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guaranty Corporation in the ordinary course and without default) in respect of a Plan (including a "multiemployer plan", within the meaning of Section 4001(c)(3) of ERISA) ("***Multiemployer Plan***"); (iv) no Multiemployer Plan is, or is expected to be, "insolvent" (within the meaning of Section 4245 of ERISA), or in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 304 of ERISA); and (v) each Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service that it is so qualified and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification, except in each case with respect to the events or conditions set forth in (i) through (v) hereof, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(kk) The statistical and market-related data included in the most recent Preliminary Prospectus are based on or derived from sources that the Company believes to be reliable in all material respects.

(ll) Neither the Company nor any of its subsidiaries is, and as of the applicable Delivery Date none of them will be, (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "***Investment Company Act***"), and the rules and regulations of the Commission thereunder, or (ii) a "business development company" (as defined in Section 2(a)(48) of the Investment Company Act).

(mm) The statements set forth in each of the most recent Preliminary Prospectus and the Prospectus under the caption "Description of Capital Stock," insofar as they purport to summarize the provisions of the laws and documents referred to therein, are accurate summaries in all material respects.

(nn) Except as described in the most recent Preliminary Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.

(oo) Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or the Underwriters for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Stock.

(pp) The Company has not sold or issued any securities that would be integrated with the offering of the Stock contemplated by this Agreement pursuant to the Securities Act, the rules and regulations thereunder or the interpretations thereof by the Commission.

(qq) The Company and its controlled affiliates have not taken, directly or indirectly, any action designed to constitute, or that has constituted, or that would reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the shares of the Stock.

(rr) The Stock has been approved for listing on The Nasdaq Global Select Market.

(ss) The Company has not distributed and, prior to the later to occur of any Delivery Date and completion of the distribution of the Stock by the Selling Stockholders, will not distribute any offering material in connection with the offering and sale of the Stock by the Selling Stockholders other than any Preliminary Prospectus, the Prospectus, and any Issuer Free Writing Prospectus to which the Representatives have consented in accordance with Section 1(k) or 6(a)(vi).

(tt) Neither the Company nor any of its subsidiaries, any director or officer, nor, to the knowledge of the Company, any controlled affiliates, agent, employee or other person acting on behalf of the Company or any of its subsidiaries, has in the course of its actions for, or on behalf of, the Company or any of its subsidiaries: (i) made any unlawful contribution, gift, or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful bribe, kickback, rebate, payoff, influence payment, or otherwise unlawfully provided anything of value, to any "foreign official" (as defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (collectively, the "***FCPA***")) or domestic government official; or (iii) violated or is in violation of any provision of the FCPA, the Bribery Act 2010 of the United Kingdom, as amended (the

“***Bribery Act 2010***”), or any other applicable anti-corruption or anti-bribery statute or regulation. The Company and its subsidiaries have conducted their respective businesses in compliance with the FCPA, Bribery Act 2010 and all other applicable anti-corruption and anti-bribery statutes or regulations, and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to ensure, continued compliance therewith.

(uu) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, that have been issued, administered or enforced by any governmental agency (collectively, the “***Money Laundering Laws***”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator or non-governmental authority involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(vv) Neither the Company nor any of its subsidiaries, any director or officer, nor, to the knowledge of the Company, any controlled affiliate, agent or employee of the Company or any of its subsidiaries is: (i) currently the subject or the target of any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Treasury Department, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority (collectively, “***Sanctions***”); or (ii) located, organized or resident in a country or territory that is the subject or target of Sanctions (currently, Cuba, Iran, North Korea, Syria and Crimea). The Company and its subsidiaries have not knowingly engaged in for the past five years, are not now knowingly engaged in, and will not engage in, any dealings or transactions in violation of Sanctions with any individual or entity, or in any country or territory, that at the time of the dealing or transaction, is or was the subject or target of Sanctions.

(ww) Except as would not reasonably be expected to have a Material Adverse Effect, (i) the Company and its subsidiaries’ respective information technology assets and equipment, computers, systems, servers, networks, hardware, software, websites, applications, and databases used in connection with the operation of their business (collectively, “***IT Systems***”) are adequate for, and the Company and its subsidiaries have taken all technical and organizational measures necessary to protect the IT Systems and Personal Data (as defined below) used in connection with, and the operation of the business of the Company and each of its subsidiaries as currently conducted, and to the knowledge of the Company, the IT Systems are free and clear of all bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants; (ii) the Company and its subsidiaries have implemented and maintain reasonable controls, policies, procedures, and safeguards designed to comply with all Privacy Laws, Obligations and Policies (as defined below) and to protect their confidential information and preserve the integrity, confidentiality, continuous operation, redundancy and security of all IT Systems and data (including “personal data” as defined by the EU General Data Protection Regulations (“***GDPR***”) (EU 2016 679) and any personal, personally identifiable, household, sensitive, confidential or regulated data (“***Personal Data***”)) used in connection with their respective businesses; (iii) there have been no data breaches or other security incidents related to any IT Systems, including any that resulted in any unauthorized acquisition, access, use, misappropriation, exfiltration, disclosure, modification or corruption of any data, including Personal Data, stored or contained therein or transmitted thereby, or that resulted in the exertion of third-party control over any of the IT Systems; and (iv) the Company and its subsidiaries have been, and are presently in compliance with all applicable laws and statutes, all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, all internal and external-facing policies and all contractual obligations, in each case, relating to the privacy or security of IT Systems or Personal Data or to the use, transfer, export, storage, protection, disposal or other processing of such IT Systems or Personal Data (collectively, "***Privacy Laws, Obligations and Policies***") from unauthorized use, acquisition, misappropriation, access, exfiltration, disclosure, corruption or modification.

(xx) Except as would not reasonably be expected to have a Material Adverse Effect, (i) to the knowledge of the Company, the execution, delivery and performance of this Agreement will not result in a breach of or violation of, any Privacy Laws, Obligations and Policies; (ii) neither the Company nor any subsidiary (A) has received written notice of any actual or potential liability under or relating to, or actual or potential violation of, any Privacy Laws, Obligations and Policies or (B) is aware of any other facts that, individually or in the aggregate, would reasonably indicate non-compliance with any Privacy Laws, Obligations and Polices; and (iii) there is no action, suit or proceeding by or before any court or governmental agency, authority or body pending or, to the Company's knowledge, threatened alleging non-compliance by the Company or any of its subsidiaries with any Privacy Laws, Obligations and Policies.

(yy) Except as would not reasonably be expected to have a Material Adverse Effect, (i) the Company and its subsidiaries own or possess valid and enforceable rights to use any and all patents, inventions, copyrights, know-how (including, without limitation, trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names, domain names and other worldwide intellectual property and similar proprietary rights (including any and all registrations and applications for registration of, and goodwill associated with, any of the foregoing) (collectively, "***Intellectual Property***"), in each case, used or held for use in, or necessary to carry on the conduct of their respective businesses as currently conducted, (ii) to the Company's knowledge, no Intellectual Property owned or purported to be owned by the Company or any of its subsidiaries has been infringed, misappropriated or otherwise violated by any person, (iii) all Intellectual Property owned or purported to be owned by the Company or any of its subsidiaries is solely and exclusively owned by the Company or one of its subsidiaries, in each case, free and clear of all liens and encumbrances (other than (x) liens securing the obligations under the credit agreement and (y) non-exclusive licenses granted in the ordinary course of business) and, to the knowledge of the Company, all registrations of Intellectual Property of the Company and its subsidiaries are valid and enforceable in all material respects, (iv) the Company and its subsidiaries have taken reasonable steps to maintain the confidentiality of all Intellectual Property, including trade secrets and confidential information, of which the value to the Company or any of its subsidiaries is contingent upon maintaining the confidentiality thereof, (v) to the Company's knowledge, neither the Company nor any of its subsidiaries has infringed, misappropriated or otherwise violated any Intellectual Property of any person and (vi) there is no pending or, to the Company's knowledge, threatened claim alleging infringement, misappropriation or other violation by the Company or any of its subsidiaries of any Intellectual Property of any person or challenging the validity, enforceability, scope or ownership of any Intellectual Property owned or purported to be owned by Company or any of its subsidiaries.

Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Stock shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Underwriter.

2. *Representations, Warranties and Agreements of the Selling Stockholders*. Each Selling Stockholder, severally and not jointly, represents, warrants and agrees that:

(a) Such Selling Stockholder, if an entity, has been duly incorporated or formed, as applicable, and is validly existing as a corporation, limited liability company, public agency, or a limited partnership, as the case may be, in good standing in its jurisdiction of formation.

(b) Neither such Selling Stockholder nor any person acting on behalf of such Selling Stockholder (other than, if applicable, the Company and the Underwriters) has used or referred to any "free writing prospectus" (as defined in Rule 405 under the Securities Act) relating to the Stock.

(c) Such Selling Stockholder has, and immediately prior to any Delivery Date on which such Selling Stockholder is selling shares of Stock, such Selling Stockholder will have, good and marketable title to the shares of Stock to be sold by such Selling Stockholder hereunder on such Delivery Date and any "security entitlement" within the meaning of Section 8-501 of the New York Uniform Commercial Code (the "***UCC***") in respect thereof, free and clear of all liens, encumbrances, equities, community property rights, restrictions on transfer or claims.

(d) Upon payment for the Stock to be sold by such Selling Stockholder, delivery of such Stock, as directed by the Underwriters, to Cede & Co. ("***Cede***") or such other nominee as may be designated by The Depository Trust Company ("***DTC***"), registration of such Stock in the name of Cede or such other nominee and the crediting of such Stock on the books of DTC to securities accounts of the Underwriters (i) DTC shall be a "protected purchaser" of such Stock within the meaning of Section 8-303 of the UCC, (ii) under Section 8-501 of the UCC, the Underwriters will acquire a valid security entitlement in respect of such Stock, and (iii) an action based on an adverse claim to such securities entitlement, whether framed in conversion, replevin, constructive trust, equitable lien or other theory may not be successfully asserted against the Underwriters with respect to such security entitlement. For purposes of this representation, such Selling Stockholder may assume that when such payment, delivery and crediting occur, (x) such Stock will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's share registry in accordance with its certificate of incorporation, bylaws and applicable law, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC, and (z) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC.

(e) Such Selling Stockholder (other than SLP Fastball Aggregator, L.P. and Workday, Inc.) (a "***Specified Selling Stockholder***") has placed in custody under a custody agreement (the "***Custody Agreement***" and, together with all other similar agreements executed by or on behalf of the other Selling Stockholders, the "***Custody Agreements***") with American Stock Transfer & Trust Company, LLC, as custodian (the "***Custodian***"), for delivery under this Agreement, certificates in negotiable form (with signature guaranteed by a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchange Medallion Program) representing the shares of Stock to be sold by the Selling Stockholder hereunder.

(f) Such Specified Selling Stockholder has duly and irrevocably executed and delivered a power of attorney (the "***Power of Attorney***" and, together with all other similar agreements executed by the other Selling Stockholders, the "***Powers of Attorney***") appointing the Messrs. Scott Staples, David Gamsey, and Bret Jardine as attorneys-in-fact, with full power of substitution, and with full authority (exercisable by any one or more of them) to execute and deliver this Agreement and to take such other action as may be necessary or desirable to carry out the provisions hereof on behalf of the Selling Stockholder.

(g) Such Selling Stockholder has full right, power and authority, corporate or otherwise, to enter into this Agreement.

(h) This Agreement has been duly and validly authorized, executed and delivered by or on behalf of such Selling Stockholder.

(i) The Power of Attorney and the Custody Agreement have been duly and validly authorized, executed and delivered by or on behalf of such Specified Selling Stockholder and constitute valid and legally binding obligations of such Selling Stockholder enforceable against such Selling Stockholder in accordance with their terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), and (iii) an implied covenant of good faith and fair dealing.

(j) All information furnished to the Company or the Underwriters by or on behalf of such Selling Stockholder in writing expressly for use in the Registration Statement, the Pricing Disclosure Package or the Prospectus is, and on the Closing Date will be, true, correct and complete in all material respects, and did not, as of the Applicable Time, and on the Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact necessary to make such information not misleading, it being understood and agreed that the only such information furnished consists of the name of such Selling Stockholder, the number of offered shares and the address and other information with respect to such Selling Stockholder (excluding percentages) which appears in the Registration Statement, the Prospectus, and the Pricing Disclosure Package in the table (and corresponding footnotes) under the caption "Selling Stockholders" (collectively, the "***Selling Stockholder Information***").

(k) The sale of the Stock by such Selling Stockholder, the execution, delivery and performance of this Agreement, the Custody Agreement and the Power of Attorney by such Selling Stockholder (to the extent a party thereto) and the consummation by such Selling Stockholder of the transactions contemplated hereby do not and will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, license, lease or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, (ii) result in any violation of the provisions of the charter or by-laws (or similar organizational documents) of such Selling Stockholder (if an entity), or (iii) result in any violation of any statute or any judgment, order, decree, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property or assets of such Selling Stockholder, except, in the case of clauses (i) and (iii), where such conflict, breach, violation or default, in the aggregate, would not reasonably be expected to have a material adverse effect on the ability of such Selling Stockholder to perform its obligations hereunder.

(l) No consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property or assets of such Selling Stockholder is required for the issue and sale of the Stock by such Selling Stockholder, the execution, delivery and performance of this Agreement, the Custody Agreement or the Power of Attorney by such Selling Stockholder (to the extent a party thereto) and the consummation by such Selling Stockholder of the transactions contemplated hereby, except (i) such consents, approvals, authorizations, orders, filings, registrations or qualifications as have already been obtained, (ii) the registration of the Stock under the Securities Act, (iii) such consents, approvals, authorizations, orders, filings, registrations or qualifications as may be required under the rules and regulations of FINRA, the Exchange Act and applicable state securities laws in connection with the purchase and sale of the Stock by the Underwriters and (iv) as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Selling Stockholder to perform its obligations hereunder.

(m) Such Selling Stockholder has not taken, directly or indirectly, any action that is designed to or that has constituted or that would reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the shares of Stock.

(n) Such Selling Stockholder will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person, or in any country or territory, that currently is the subject or target of Sanctions or in any other manner that will result in a violation by any person participating in the transaction whether as an underwriter, advisor, investor or otherwise of Sanctions.

Any certificate signed by any officer of any Selling Stockholder and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Stock shall be deemed to be a representation and warranty by such Selling Stockholder, as to matters covered thereby, to each Underwriter.

3. *Purchase of the Stock by the Underwriters.* On the basis of the representations, warranties and covenants contained in, and subject to the terms and conditions of, this Agreement, each Selling Stockholder agrees to sell the number of shares of the Firm Stock set forth opposite its name in Schedule II hereto, severally and not jointly, to the several Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase the number of shares of the Firm Stock set forth opposite that Underwriter's name in Schedule I hereto. Each Underwriter shall be obligated to purchase from each Selling Stockholder, that number of shares of the Firm Stock that represents the same proportion of the number of shares of the Firm Stock to be sold by each Selling Stockholder as the number of shares of the Firm Stock set forth opposite the name of such Underwriter in Schedule I represents to the total number of shares of the Firm Stock to be purchased by all of the Underwriters pursuant to this Agreement. The respective purchase obligations of the Underwriters with respect to the Firm Stock shall be rounded among the Underwriters to avoid fractional shares, as the Representatives may determine.

In addition, each Selling Stockholder grants to the Underwriters an option to purchase up to the number of shares of Option Stock set forth opposite such Selling Stockholder's name in Schedule II hereto, severally and not jointly. Such option is exercisable in the event that the Underwriters sell more shares of Common Stock than the number of shares of Firm Stock in the offering and as set forth in Section 5 hereof. Any such election to purchase Option Stock shall be made in proportion to the maximum number of shares of Option Stock to be sold by each Selling Stockholder as set forth in Schedule II hereto. Each Underwriter agrees, severally and not jointly, to purchase the number of shares of Option Stock (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of shares of Option Stock to be sold on such Delivery Date as the number of shares of Firm Stock set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of shares of Firm Stock.

The purchase price payable by the Underwriters for both the Firm Stock and any Option Stock is $[ ] per share.

The Selling Stockholders are not obligated to deliver any of the Firm Stock or Option Stock to be delivered on the applicable Delivery Date, except upon payment for all such Stock to be purchased on such Delivery Date as provided herein.

4. *Offering of Stock by the Underwriters*. Upon authorization by the Representatives of the release of the Firm Stock, the several Underwriters propose to offer the Firm Stock for sale upon the terms and conditions to be set forth in the Prospectus.

5. *Delivery of and Payment for the Stock.* Delivery of and payment for the Firm Stock shall be made at 10:00 A.M., New York City time, on the second full business day following the date of this Agreement or at such other date or place as shall be determined by agreement between the Representatives and the Company. This date and time are sometimes referred to as the "***Initial Delivery Date***". Delivery of the Firm Stock shall be made to the Representatives for the account of each Underwriter against payment by the several Underwriters through the Representatives and of the respective aggregate purchase prices of the Firm Stock being sold by the Selling Stockholders to or upon the order of the Selling Stockholders of the purchase price by wire transfer in immediately available funds to the accounts specified by the Selling Stockholders. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. The Selling Stockholders shall deliver the Firm Stock through the facilities of DTC unless the Representatives shall otherwise instruct.

The option granted in Section 3 will expire 30 days after the date of this Agreement and may be exercised in whole or from time to time in part by written notice being given to the Company and the Selling Stockholders by the Representatives; *provided* that if such date falls on a day that is not a business day, the option granted in Section 3 will expire on the next succeeding business day. Such notice shall set forth the aggregate number of shares of Option Stock as to which the options are being exercised, the names in which the shares of Option Stock are to be registered, the denominations in which the shares of Option Stock are to be issued and the date and time, as determined by the Representatives, when the shares of Option Stock are to be delivered; *provided, however*, that this date and time shall not be earlier than the Initial Delivery Date nor earlier than the second business day after the date on which the options shall have been exercised nor later than the fifth business day after the date on which the options shall have been exercised. Each date and time the shares of Option Stock are delivered is sometimes referred to as an "***Option Stock Delivery Date***", and the Initial Delivery Date and any Option Stock Delivery Date are sometimes each referred to as a "***Delivery Date***".

Delivery of the Option Stock by the Selling Stockholders and payment for the Option Stock by the several Underwriters through the Representatives shall be made at 10:00 A.M., New York City time, on the date specified in the corresponding notice described in the preceding paragraph or at such other date or place as shall be determined by agreement between the Representatives and the Selling Stockholders. On each Option Stock Delivery Date, the Selling Stockholders shall deliver, or cause to be delivered, the Option Stock, to the Representatives for the account of each Underwriter, against payment by the several Underwriters through the Representatives and of the respective aggregate purchase prices of the Option Stock being sold by the Selling Stockholders to or upon the order of the Selling Stockholders of the purchase price by wire transfer in immediately available funds to the accounts specified by the Selling Stockholders. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. The Selling Stockholders shall deliver the Option Stock through the facilities of DTC unless the Representatives shall otherwise instruct.

6. *Further Agreements of the Company and the Underwriters*. (a) The Company agrees:

(i) To prepare the Prospectus in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement; except as provided herein, to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Delivery Date to which the Representatives reasonably object by written notice to the Company in a timely manner; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment or supplement to the Registration Statement or the Prospectus has been filed and to furnish the Representatives with copies thereof; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the

Prospectus or any Issuer Free Writing Prospectus, of the suspension of the qualification of the Stock for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding or examination for any such purpose, or any notice from the Commission objecting to the use of the form of Registration Statement or any post-effective amendment thereto or of any request by the Commission for the amending or supplementing of the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal.

(ii) To furnish promptly to each of the Representatives a signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(iii) To deliver promptly to the Representatives such number of the following documents as the Representatives shall reasonably request: (A) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement), (B) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus, and (C) each Issuer Free Writing Prospectus; and, if the delivery of a prospectus is required at any time after the date hereof in connection with the offering or sale of the Stock or any other securities relating thereto and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, to notify the Representatives and, upon their request, to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Prospectus that will correct such statement or omission or effect such compliance.

(iv) To file promptly with the Commission any amendment or supplement to the Registration Statement or the Prospectus that may, in the judgment of the Company or the Representatives, be required by the Securities Act or requested by the Commission.

(v) Prior to filing with the Commission any amendment or supplement to the Registration Statement, or the Prospectus, to furnish a copy thereof to the Representatives and counsel for the Underwriters and obtain the consent of the Representatives to the filing.

(vi) Not to make any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representatives.

(vii) To comply with all applicable requirements of Rule 433 under the Securities Act with respect to any Issuer Free Writing Prospectus. If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, to notify the Representatives and, upon their request, to file such document and to prepare and furnish without charge to each Underwriter as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance.

(viii) To make generally available (which may be satisfied by filing with EDGAR) to the Company's security holders and to the Representatives as soon as reasonably practicable an earning statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(ix) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Stock for offering and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Stock; *provided*, that in connection therewith the Company shall not be required to (A) qualify as a foreign corporation in any jurisdiction in which it would not otherwise be required to so qualify, (B) file a general consent to service of process in any such jurisdiction, or (C) subject itself to taxation in any jurisdiction in which it would not otherwise be subject.

(x) For a period commencing on the date hereof and ending on the 60th day after the date of the Prospectus (the "***Lock-Up Period***"), not to, directly or indirectly, (A) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or would be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock, or sell or grant options, rights or warrants with respect to any shares of Common Stock or securities convertible into or exchangeable for Common Stock, (B) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such shares of Common Stock, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (C) file, submit or cause to be submitted or filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible, exercisable or exchangeable into Common Stock or any other securities of the Company, or (D) publicly disclose the intention to do any of the foregoing, in each case other than (i) the shares of Stock to be sold hereunder by the Selling Stockholders, (ii) shares of Common Stock issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans described in the

Registration Statement, Prospectus, or Pricing Disclosure Package, (iii) shares of Common Stock issued upon the conversion or exchange of convertible or exchangeable securities outstanding as of the date of this Agreement described in the Registration Statement, Prospectus, or Pricing Disclosure Package, (iv) any options or other awards (including without limitation, restricted stock or restricted stock units), or the shares of Common Stock issued with respect to, or upon the exercise or settlement of, such options and other awards, existing as of the Initial Delivery Date or otherwise granted under the Company's equity plans described in the Registration Statement, Prospectus, or Pricing Disclosure Package, (v) the filing of a registration statement on Form S-8, and the issuance of securities registered thereunder, relating to any benefit plans or arrangements disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (vi) [reserved], (vii) the issuance of shares of Common Stock in connection with the acquisition of the assets of, or a majority of controlling portion of the equity of, or a business combination or a joint venture with, another entity in connection with such business combination or such acquisition by the Company or any of its subsidiaries of such entity, (viii) any issuance of shares of Common Stock (including without limitation, restricted stock or restricted stock awards) in connection with joint ventures, commercial relationships or other strategic transactions and (ix) any confidential submissions of any registration statement, including any amendments thereto; provided that the aggregate number of shares issued or issuable pursuant to clauses (vii) and (viii) does not exceed 10% of the number of shares of Common Stock outstanding immediately after the offering of the Stock pursuant to this Agreement and prior to such issuance, each recipient of any such securities shall execute and deliver to the Representatives an agreement substantially in the form of Exhibit A hereto, without the prior written consent of Barclays Capital Inc. and BofA Securities, Inc., on behalf of the Underwriters, and to cause each officer, director and stockholder of the Company set forth on Schedule III hereto to furnish to the Representatives, prior to the Initial Delivery Date, a letter or letters, substantially in the form of Exhibit A hereto (the "***Lock-Up Agreements***").

(xi) [Reserved.]

(xii) [Reserved.]

(xiii) The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (A) the time when a prospectus relating to the offering or sale of the Stock or any other securities relating thereto is not required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) and (B) completion of the Lock-Up Period.

(xiv) If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission. The Company will promptly notify the Representatives of (A) any distribution by the Company of Written Testing-the-Waters Communications and (B) any request by the Commission for information concerning the Written Testing-the-Waters Communications.

(xv) The Company and its controlled affiliates will not take, directly or indirectly, any action designed to or that has constituted or that reasonably would be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the Stock.

(b) Each Underwriter severally agrees that such Underwriter shall not include any "issuer information" (as defined in Rule 433 under the Securities Act) in any "free writing prospectus" (as defined in Rule 405 under the Securities Act) used or referred to by such Underwriter without the prior consent of the Company (any such issuer information with respect to whose use the Company has given its consent, "***Permitted Issuer Information***"); *provided* that (i) no such consent shall be required with respect to any such issuer information contained in any document filed by the Company with the Commission prior to the use of such free writing prospectus, and (ii) "issuer information", as used in this Section 6(b), shall not be deemed to include information prepared by or on behalf of such Underwriter on the basis of or derived from issuer information.

7. *Further Agreements of the Selling Stockholders*. Each Selling Stockholder agrees, severally and not jointly:

(a) On or prior to the date of this Agreement, such Selling Stockholder shall have delivered to the Representatives a duly executed Lock-Up Agreement in the form of Exhibit A hereto.

(b) Neither such Selling Stockholder nor any person acting on behalf of such Selling Stockholder (other than, if applicable, the Company and the Underwriters) shall use or refer to any "free writing prospectus" (as defined in Rule 405 under the Securities Act), relating to the Stock;

(c) To deliver to the Representatives prior to the Initial Delivery Date a properly completed and executed United States Treasury Department Form W-8 (if such Selling Stockholder is a non-United States person) or Form W-9 (if such Selling Stockholder is a United States person).

(d) Such Selling Stockholder will not take, directly or indirectly, any action designed to or that has constituted or that reasonably would be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the Stock.

8. *Expenses.* The Company agrees, whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, to pay all reasonable expenses, costs, fees and taxes incident to and in connection with (a) the sale and delivery of the Stock and any stamp duties or other taxes payable in that connection, and the preparation and printing of certificates for the Stock; (b) the preparation, printing and filing under

the Securities Act of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, and any amendment or supplement thereto; (c) the distribution of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, and any amendment or supplement thereto, all as provided in this Agreement; (d) the production and distribution of this Agreement, any supplemental agreement among Underwriters, and any other related documents in connection with the offering, purchase, sale and delivery of the Stock; (f) any required review by the FINRA of the terms of sale of the Stock (including related fees and expenses of counsel to the Underwriters in an amount that is not greater than $40,000); (g) the listing of the Stock on The Nasdaq Global Select Market; (h) the qualification of the Stock under the securities laws of the several jurisdictions as provided in Section 6(a)(ix) and the preparation, printing and distribution of a Blue Sky Memorandum in an amount not to exceed $7,500 (including related fees and expenses of counsel to the Underwriters); (i) the investor presentations on any "road show" or any Testing-the-Waters Communication, undertaken in connection with the marketing of the Stock, including, without limitation, expenses associated with any electronic road show, travel and lodging expenses of the representatives and officers of the Company and 50% of the cost of any aircraft chartered in connection with the road show (it being agreed that the remaining 50% of the cost of such aircraft shall be paid by the Underwriters); and (j) all other costs and expenses incident to the performance of the obligations of the Company and the Selling Stockholders under this Agreement; *provided* that, except as provided in this Section 8 and in Section 13, the Underwriters shall pay their own costs and expenses, including the costs and expenses of their counsel, any transfer taxes on the Stock which they may sell and the expenses of advertising any offering of the Stock made by the Underwriters. The Selling Stockholders agree to pay all underwriting discounts and commissions in connection with the sale of the Stock.

9. *Conditions of Underwriters' Obligations*.

(a) No stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus shall have been issued and no proceeding or examination for such purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with.

(b) No Underwriter shall have discovered and disclosed to the Company on or prior to such Delivery Date that the Registration Statement, the Prospectus or the Pricing Disclosure Package, including any amendment or supplement thereto, contains an untrue statement of a fact which, in the opinion of Davis Polk & Wardwell LLP, counsel for the Underwriters, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein (in the case of the Prospectus or the Pricing Disclosure Package, in light of the circumstances under which such statements were made) not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Stock, the Registration Statement, the Prospectus and any Issuer Free Writing Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Underwriters, and the Company and the Selling Stockholders shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Simpson Thacher & Bartlett LLP shall have furnished to the Representatives its written opinion and negative assurance letter, as counsel to the Company, addressed to the Underwriters and dated such Delivery Date, in form and substance reasonably satisfactory to the Representatives.

(e) Whalen LLP shall have furnished to the Representatives their written opinion, as counsel to each of the Selling Stockholders for whom they are acting as counsel, addressed to the Underwriters and dated such Delivery Date, in form and substance reasonably satisfactory to the Representatives.

(f) Orrick Herrington & Sutcliffe shall have furnished to the Representatives their written opinion, as counsel to Workday, Inc., addressed to the Underwriters and dated such Delivery Date, in form and substance reasonably satisfactory to the Representatives.

(g) The Representatives shall have received from Davis Polk & Wardwell, counsel for the Underwriters, such opinion and negative assurance letter, dated such Delivery Date, with respect to the sale of the Stock, the Registration Statement, the Prospectus and the Pricing Disclosure Package and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(h) At the time of execution of this Agreement, the Representatives shall have received from Deloitte & Touche LLP a letter, in form and substance satisfactory to the Representatives, addressed to the Underwriters and dated the date hereof (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the most recent Preliminary Prospectus, as of a date not more than two business days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings.

(i) With respect to the letter of Deloitte & Touche LLP referred to in the preceding paragraph and delivered to the Representatives concurrently with the execution of this Agreement (the "***initial letter***"), the Company shall have furnished to the Representatives a letter (the "***bring-down letter***") of such accountants, addressed to the

Underwriters and dated such Delivery Date (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than two business days prior to the date of the bring-down letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter, and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter.

(j) The Company shall have furnished to the Representatives a certificate, dated such Delivery Date, of its Chief Executive Officer and its Chief Financial Officer as to such matters as the Representatives may reasonably request, including, without limitation, a statement:

(i) That the representations, warranties and agreements of the Company in Section 1 are true and correct in all material respects (or, where such representations and warranties are already qualified as to materiality, in all respects) on and as of such Delivery Date, and the Company has complied with all its agreements contained herein and satisfied in all material respects all the conditions on its part to be performed or satisfied hereunder at or prior to such Delivery Date;

(ii) That no stop order suspending the effectiveness of the Registration Statement has been issued; and no proceedings or examination for that purpose have been instituted or, to the knowledge of such officers, threatened;

(iii) That they have examined the Registration Statement, the Prospectus and the Pricing Disclosure Package, and, in their opinion, (A) (1) the Registration Statement, as of the Effective Date, (2) the Prospectus, as of its date and on the applicable Delivery Date, and (3) the Pricing Disclosure Package, as of the Applicable Time, did not and do not contain any untrue statement of a material fact and did not and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (except in the case of the Registration Statement, in the light of the circumstances under which they were made) not misleading, and (B) since the Effective Date, no event has occurred that should have been set forth in a supplement or amendment to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus that has not been so set forth; and

(iv) To the effect of Section 9(l) (*provided* that no representation with respect to the judgment of the Representatives need be made) and Section 9(m).

(k) Each Selling Stockholder shall have furnished to the Representatives on such Delivery Date a certificate, dated such Delivery Date, signed by, or on behalf of, the Selling Stockholder stating that the representations, warranties and agreements of the Selling Stockholder contained herein are true and correct in all material respects (or, where such representations and warranties are already qualified as to materiality, in all respects) on and as of such Delivery Date and that the Selling Stockholder has complied with all its agreements contained herein and has satisfied in all material respects all the conditions on its part to be performed or satisfied hereunder at or prior to such Delivery Date.

(l) Except as described in the most recent Preliminary Prospectus, (i) neither the Company nor any of its subsidiaries shall have sustained, since the date of the latest audited financial statements included in the most recent Preliminary Prospectus, any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), results of operations, or business of the Company and its subsidiaries taken as a whole, the effect of which, in any such case described in clause (i) or (ii), is, individually or in the aggregate, in the judgment of the Representatives, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(m) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Company's securities by any "nationally recognized statistical rating organization" (as defined by the Commission in Section 3(a)(62) of the Exchange Act), and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's securities.

(n) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) (A) trading in securities generally on any securities exchange that has registered with the Commission under Section 6 of the Exchange Act (including the New York Stock Exchange, The Nasdaq Global Select Market, The Nasdaq Global Market or The Nasdaq Capital Market), or (B) trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a general moratorium on commercial banking activities shall have been declared by federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States, or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions, including, without limitation, as a result of terrorist activities after the date hereof (or the effect of international conditions on the financial markets in the United States shall be such) or any other calamity or crisis, either within or outside the United States, in each case with respect to clauses (i) through (iv), as to make it, in the judgment of the Representatives, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(o) [Reserved.]

(p) The Lock-Up Agreements between the Representatives and the officers, directors and Selling Stockholders of the Company set forth on Schedule III, delivered to the Representatives on or before the date of this Agreement, shall be in full force and effect on such Delivery Date.

(q) The Representatives shall have received (i) on and as of the date hereof and (ii) on and as of each Delivery Date, as the case may be, a certificate of the Chief Financial Officer of the Company in a form reasonably satisfactory to the Representatives.

(r) On or prior to each Delivery Date, the Company shall have furnished to the Underwriters such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

10. *Indemnification and Contribution.*

(a) The Company hereby agrees to indemnify and hold harmless each Underwriter, its affiliates, directors, officers and employees and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which that Underwriter, affiliate, director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in (A) any Preliminary Prospectus, the Registration Statement, the Prospectus or in any amendment or supplement thereto, (B) any Issuer Free Writing Prospectus or in any amendment or supplement thereto, (C) any Permitted Issuer Information used or referred to in any “free writing prospectus” (as defined in Rule 405 under the Securities Act) used or referred to by any Underwriter, or (D) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Stock, including any “road show” (as defined in Rule 433 under the Securities Act) not constituting an Issuer Free Writing Prospectus and any Written Testing-the-Waters Communication (“***Marketing Materials***”); or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials, any material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Underwriter and each such affiliate, director, officer, employee or controlling person within 45 days of demand for any legal or other expenses reasonably incurred and documented by that Underwriter, affiliate, director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; *provided*, *however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any such amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials, in reliance upon and in conformity with written information concerning such Underwriter furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information consists solely of the information specified in Section 10(f). The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to any Underwriter or to any affiliate, director, officer, employee or controlling person of that Underwriter.

(b) The Selling Stockholders, severally and not jointly in proportion to the number of shares of Stock to be sold by each of them hereunder, shall indemnify and hold harmless each Underwriter, its affiliates, directors, officers and employees, and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which that Underwriter, affiliate, director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials or any “free writing prospectus” (as defined in Rule 405 under the Securities Act) or (ii) the omission or alleged omission to state in any Preliminary Prospectus, Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, or any Marketing Materials, any material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Underwriter, its affiliates, directors, officers and employees and each such controlling person within 45 days of demand for any legal or other expenses reasonably incurred and documented by that Underwriter, its affiliates, directors, officers and employees or controlling persons in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; *provided* that the indemnity set forth in this paragraph 10(b) apply solely to such Selling Stockholder’s Selling Stockholder Information furnished to the Company in writing by such Selling Stockholder expressly for use in the Registration Statement, Prospectus, Pricing Disclosure Package, and each Issuer Free Writing Prospectus, as applicable. The liability of each Selling Stockholder under the indemnity agreement contained in this paragraph shall be limited to an amount equal to the total gross proceeds from the offering of the shares of the Stock purchased under this Agreement received by such Selling Stockholder, net of underwriting discounts but before expenses (the "***Selling Stockholder Proceeds***") less any amounts such Selling Stockholder is obligated to contribute under the indemnity provision in this paragraph and the contribution provisions under paragraph (e) of this Section 10. The foregoing indemnity agreement is in addition to any liability that the Selling Stockholders may otherwise have to any Underwriter or any affiliate, director, officer, employee or controlling person of that Underwriter.

(c) Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company, each Selling Stockholder, their respective directors, officers and employees, and each person, if any, who controls the Company or such Selling Stockholder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company, such Selling Stockholder or any such director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials, or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials, any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Underwriter furnished to the Company through the Representatives by or on behalf of that Underwriter specifically for inclusion therein, which information is limited to the information set forth in Section 10(f). The foregoing indemnity agreement is in addition to any liability that any Underwriter may otherwise have to the Company, such Selling Stockholder or any such director, officer, employee or controlling person.

(d) Promptly after receipt by an indemnified party under this Section 10 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 10, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 10 except to the extent it has been materially prejudiced (through the forfeiture of substantive rights and defenses) by such failure and, provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 10. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 10 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that the indemnified party shall have the right to employ counsel to represent jointly the indemnified party and those other indemnified parties and their respective directors, officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought under this Section 10 if (i) the indemnified party and the indemnifying party shall have so mutually agreed; (ii) the indemnifying party has failed within a reasonable time to retain counsel reasonably satisfactory to the indemnified party; (iii) the indemnified party and its directors, officers, employees and controlling persons shall have reasonably concluded, based on the advice of counsel, that there may be legal defenses available to them that are different from or in addition to those available to the indemnifying party; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the indemnified parties or their respective directors, officers, employees or controlling persons, on the one hand, and the indemnifying party, on the other hand, and representation of both sets of parties by the same counsel would be inappropriate due to actual or potential differing interests between them, and in any such event the fees and expenses of such separate counsel shall be paid by the indemnifying party (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (together with local counsel (in each jurisdiction)), which shall be selected by the Representatives (in the case of counsel representing the Underwriters or their related persons)). No indemnifying party shall (x) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and does not include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party, or (y) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(e) If the indemnification provided for in this Section 10 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 10(a), 10(b) or 10(c) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company and the Selling Stockholders, on the one hand, and the Underwriters, on the other hand, from the offering of the Stock, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholders, on the one hand, and the Underwriters, on the other hand, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders, on the one hand, and the Underwriters, on the other hand, with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Stock purchased under this Agreement (before deducting expenses) received by the Company and the Selling Stockholders, on the one hand, and the total underwriting discounts and commissions received by the Underwriters with respect to the shares of the Stock purchased under this Agreement, on the other hand. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholders or the Underwriters, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 10(e) were to be determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 10(e) shall be deemed to include, for purposes of this Section 10(e), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim, subject to the provisions of Section 10(d). Notwithstanding the provisions of this Section 10(e), in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Stock exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. Notwithstanding the provisions of this paragraph (e), each Selling Stockholder's obligations to contribute any amount under this paragraph (e) is limited in the manner and to the extent set forth in paragraph 10(b) and in no event shall the aggregate liability of such Selling Stockholder under paragraph 10(b) and this paragraph (e) exceed such Selling Stockholder's Selling Stockholder Proceeds limit set forth in paragraph 10(b). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this Section 10(e) are several in proportion to their respective underwriting obligations and not joint.

(f) The Underwriters severally confirm and the Company and each Selling Stockholder acknowledges and agrees that the statements regarding delivery of shares by the Underwriters set forth on the cover page of, and the concession [and reallowance] figure[s] and the paragraph relating to stabilization by the Underwriters appearing under the caption "Underwriting" in, the most recent Preliminary Prospectus and the Prospectus constitute the only information concerning such Underwriters furnished in writing to the Company by or on behalf of the Underwriters specifically for inclusion in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials.

11. *Defaulting Underwriters*.

(a) If, on any Delivery Date, any Underwriter defaults in its obligations to purchase the Stock that it has agreed to purchase under this Agreement, the remaining non-defaulting Underwriters may in their discretion arrange for the purchase of such Stock by the non-defaulting Underwriters or other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Stock, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Stock on such terms. In the event that within the respective prescribed periods, the non-defaulting Underwriters notify the Company that they have so arranged for the purchase of such Stock, or the Company notifies the non-defaulting Underwriters that it has so arranged for the purchase of such Stock, either the non-defaulting Underwriters or the Company may postpone such Delivery Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement, the Prospectus or in any such other document or arrangement that effects any such changes. As used in this Agreement, the term "Underwriter," unless the context requires otherwise, includes any party not listed in Schedule I hereto that, pursuant to this Section 11, purchases Stock that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Stock of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the total number of shares of the Stock that remains unpurchased does not exceed one-eleventh of the total number of shares of all the Stock, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the total number of shares of Stock that such Underwriter agreed to purchase hereunder plus such Underwriter's pro rata share (based on the total number of shares of Stock that such Underwriter agreed to purchase hereunder) of the Stock of such defaulting Underwriter or Underwriters for which such arrangements have not been made; *provided* that the non-defaulting Underwriters shall not be obligated to purchase more than 110% of the total number of shares of Stock that it agreed to purchase on such Delivery Date pursuant to the terms of Section 3.

(c) If, after giving effect to any arrangements for the purchase of the Stock of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the total number of shares of Stock that remains unpurchased exceeds one-eleventh of the total number of shares of all the

Stock, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 11 shall be without liability on the part of the Company or the Selling Stockholders, except that the Company will continue to be liable for the payment of expenses as set forth in Sections 8 and 13 and except that the provisions of Section 10 shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company, the Selling Stockholders or any non-defaulting Underwriter for damages caused by its default.

12. *Recognition of the U.S. Special Resolution Regimes.*

(a) In the event that any of the Underwriters that are a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any of the Underwriters that are a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights would be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) For the purposes of this Section 15, a “BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k). “Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). “Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. “U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

13. *Termination.* The obligations of the Underwriters hereunder may be terminated by the Representatives by notice given to and received by the Company and the Selling Stockholders prior to delivery of and payment for the Firm Stock if, prior to that time, any of the events described in Sections 9(l), 9(m) and 9(n) shall have occurred or if the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement.

14. *Reimbursement of Underwriters' Expenses.* If (a) any Selling Stockholder shall fail to tender the Stock for delivery to the Underwriters for any reason, or (b) the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement, the Company will reimburse the Underwriters for all reasonable out-of-pocket expenses (including fees and disbursements of counsel for the Underwriters) incurred by the Underwriters in connection with this Agreement and the proposed purchase of the Stock, and upon demand the Company shall pay the full amount thereof to the Representatives. If this Agreement is terminated pursuant to Section 11 by reason of the default of one or more Underwriters, neither the Company nor any Selling Stockholder shall be obligated to reimburse any defaulting Underwriter on account of those expenses.

15. *Research Analyst Independence.* The Company acknowledges that the Underwriters' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriters' research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering that differ from the views of their respective investment banking divisions. The Company and the Selling Stockholders hereby waive and release, to the fullest extent permitted by law, any claims that the Company or the Selling Stockholders may have against the Underwriters with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company or the Selling Stockholders by such Underwriters' investment banking divisions. The Company and the Selling Stockholders acknowledge that each of the Underwriters is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

16. *No Fiduciary Duty*. The Company and the Selling Stockholders acknowledge and agree that in connection with this offering, sale of the Stock or any other services the Underwriters may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Underwriters: (a) no fiduciary or agency relationship between the Company, Selling Stockholders and any other person, on the one hand, and the Underwriters, on the other hand, exists; (b) the Underwriters are not acting as advisors, expert or otherwise and are not providing a recommendation or investment advice, to either the Company or the Selling Stockholders, including, without limitation, with respect to the determination of the public offering price of the Stock, and such relationship between the Company and the Selling Stockholders, on the one hand, and the Underwriters, on the other hand, is entirely and solely commercial, based on arms-length negotiations and, as such, not intended for use by any individual for personal, family or household purposes; (c) any duties and obligations that the Underwriters may have to the Company or Selling Stockholders shall be limited to those duties and obligations specifically stated herein; (d) the Underwriters and their respective affiliates may have interests that differ from those of the Company and the Selling Stockholders; and (e) does not constitute a

solicitation of any action by the Underwriters. The Company and the Selling Stockholders hereby (x) waive any claims that the Company or the Selling Stockholders may have against the Underwriters with respect to any breach of fiduciary duty in connection with this offering and (y) agree that none of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice or solicitation of any action by the Underwriters with respect to any entity or natural person. Each of the Company and the Selling Stockholders has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate.

17. *Notices, etc.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriters, shall be delivered or sent by mail or facsimile transmission to:

(i) Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: (646) 834-8133), with a copy, in the case of any notice pursuant to Section 10(d), to the Director of Litigation, Office of the General Counsel, Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019; and

(ii) BofA Securities, Inc., One Bryant Park, New York, New York 10036, Facsimile: (646) 855 3073, Attention: Syndicate Department, with a copy to: Facsimile: (212) 230-8730, Attention: ECM Legal.

(b) if to the Company or SLP Fastball Aggregator, L.P., shall be delivered or sent by mail or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Bret T. Jardine, with a copy to Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attention: Ken Wallach and Hui Lin;

(c) if to WorkDay, Inc., shall be delivered or sent by mail or facsimile transmission to Orrick, Herrington & Sutcliffe at [ ]; and

(d) if to any Selling Stockholder (other than SLP Fastball Aggregator, L.P.), shall be delivered or sent by mail or facsimile transmission to each of the Attorneys-in-Fact named in the Power of Attorney, c/o the Company at the address set forth on the cover of the Registration Statement, attention of General Counsel, with a copy, which shall not constitute notice, to Whalen LLP, 1601 Dove Street, Suite 270, Newport Beach, California 92660.

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company and the Selling Stockholders shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Underwriters by Barclays Capital Inc. on behalf of the Representatives, and the Company and the Underwriters shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of: (i) the Specified Selling Stockholders by the Custodian, (ii) SLP Fastball Aggregator, L.P. by [ ] and (iii) Workday, Inc, by [ ].

18. *Persons Entitled to Benefit of Agreement*. This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company, the Selling Stockholders and their respective personal representatives and successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company and the Selling Stockholders contained in this Agreement shall also be deemed to be for the benefit of the directors, officers and employees of the Underwriters and each person or persons, if any, who control any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and (b) the indemnity agreement of the Underwriters contained in Section 10(c) of this Agreement shall be deemed to be for the benefit of the directors of the Company, the officers of the Company who have signed the Registration Statement and any person controlling the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 17, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

19. *Survival*. The respective indemnities, rights of contributions, representations, warranties and agreements of the Company, the Selling Stockholders and the Underwriters contained in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Stock and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

20. *Definition of the Terms "Business Day", "Affiliate" and "Subsidiary"*. For purposes of this Agreement, (a) "***business day***" means each Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close, and (b) "***affiliate***" and "***subsidiary***" have the meanings set forth in Rule 405 under the Securities Act.

21. *Governing Law*. **This Agreement and any transaction contemplated by this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles that would result in the application of any other law than the laws of the State of New York (other than Section 5-1401 of the General Obligations Law).**

22. *Waiver of Jury Trial*. The Company, the Selling Stockholders and the Underwriters hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

23. *Counterparts*. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument. Delivery of an executed Agreement by one party to any other party may be made by facsimile, electronic mail (including any electronic signature complying with the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301-309), as amended from time to time, or other applicable law) or other transmission method, and the parties hereto agree that any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

24. *Headings*. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement among the Company, the Selling Stockholders and the Underwriters, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

FIRST ADVANTAGE CORPORATION

By: ______________________________
Name:
Title:

SLP FASTBALL AGGREGATOR, L.P.

By: SLP V Aggregator GP, L.L.C., its general partner

By: Silver Lake Technology Associates V, L.P., its managing member

By: SLTA V (GP), L.L.C., its general partner

By: Silver Lake Group, L.L.C., its managing member

By: ____________________________

Name:

Title:

WORKDAY, INC.

By: ______________________________

Name:

Title:

SPECIFIED SELLING STOCKHOLDERS, acting severally

By: ______________________________

Name:

Title: Attorney-in-Fact acting on behalf of each of the Specified Selling Stockholders named in Schedule II to this Agreement.

Accepted:

BARCLAYS CAPITAL INC.
BOFA SECURITIES, INC.

For themselves and as Representatives
of the several Underwriters named
in Schedule I hereto

BY: BARCLAYS CAPITAL INC.

By: ______________________________
Name:
Title:

By: BOFA SECURITIES, INC.

By: ______________________________
Name:
Title:

SCHEDULE I

Underwriters	Number of Shares of Firm Stock	Number of Shares of Option Stock
Barclays Capital Inc.	[ ]	[ ]
BofA Securities, Inc.	[ ]	[ ]
Citigroup Global Markets Inc.	[ ]	[ ]
Evercore Group L.L.C.	[ ]	[ ]
Jefferies LLC	[ ]	[ ]
RBC Capital Markets, LLC.	[ ]	[ ]
Stifel, Nicolaus & Company, Incorporated.	[ ]	[ ]
HSBC Securities (USA) Inc.	[ ]	[ ]
Citizens Capital Markets, Inc.	[ ]	[ ]
KKR Capital Markets LLC	[ ]	[ ]
MUFG Securities Americas Inc.	[ ]	[ ]
Loop Capital Markets LLC	[ ]	[ ]
R. Seelaus & Co., LLC	[ ]	[ ]
Samuel A. Ramirez & Company, Inc.	[ ]	[ ]
Roberts & Ryan Investments, Inc.	[ ]	[ ]
Total		

SCHEDULE II

Name and Address of Selling Stockholder	Number of Shares of Firm Stock	Number of Shares of Option Stock
	[ ]	[ ]
	[ ]	[ ]

SCHEDULE III

PERSONS DELIVERING LOCK-UP AGREEMENTS

SCHEDULE IV

ORALLY CONVEYED PRICING INFORMATION

1. Public offering price: $[ ]

2. *Number of Firm Shares offered*: [ ]

3. *Number of Option Shares offered:* [ ]

SCHEDULE V

ISSUER FREE WRITING PROSPECTUSES – ROAD SHOW MATERIALS

[ ]

SCHEDULE VI

TESTING THE WATERS MATERIALS

[ ]

EXHIBIT A

LOCK-UP LETTER AGREEMENT

BARCLAYS CAPITAL INC.
BOFA SECURITIES, INC.
As Representatives of the several
Underwriters named in Schedule I attached hereto,

c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

BofA Securities, Inc.
One Bryant Park
New York, New York 10036

, 2021

Ladies and Gentlemen:

The undersigned understands that you and certain other firms (the "***Underwriters***") propose to enter into an Underwriting Agreement (the "***Underwriting Agreement***") providing for the purchase by the Underwriters of shares (the "***Stock***") of Common Stock, par value $0.001 per share (the "***Common Stock***"), of First Advantage Corporation, a Delaware corporation (the "***Company***"), and that the Underwriters propose to reoffer the Stock to the public (the "***Offering***"). Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Underwriting Agreement.

In consideration of the execution of the Underwriting Agreement by the Underwriters, and for other good and valuable consideration, the undersigned hereby irrevocably agrees that, without the prior written consent of Barclays Capital Inc. and BofA Securities, Inc., on behalf of the Underwriters, the undersigned will not, directly or indirectly, (1) offer for sale, sell, pledge, lend, or otherwise dispose of (or enter into any transaction or device that is designed to, or would be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock (including, without limitation, shares of Common Stock that may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and shares of Common Stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for Common Stock (other than the Stock), (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (3) make any demand for or exercise any right that causes to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock or any other securities of the Company, or (4) publicly disclose the intention to do any of the foregoing for a period commencing on the date hereof and ending on the 60th day after the date of the Prospectus relating to the Offering (such 60-day period, the "***Lock-Up Period***").

The foregoing restrictions are expressly agreed to preclude the undersigned from engaging in any hedging or other transaction which is designed to or which reasonably would be expected to lead to or result in a sale or disposition of Common Stock or any other securities of the Company even if such Common Stock or other securities of the Company would be disposed of by someone other than the undersigned, including, without limitation, any short sale or any purchase, sale or grant of any right (including without limitation any put or call option, forward, swap or any other derivative transaction or instrument) with respect to any Common Stock, or any other security of the Company that includes, relates to, or derives any significant part of its value from Common Stock or other securities of the Company.

The foregoing restrictions, including without limitation the immediately preceding sentence, shall not apply to:

(a) the pledge, hypothecation or other granting of a security interest in shares of Common Stock or securities convertible into or exchangeable for Common Stock to one or more lending institutions as collateral or security for any loan, advance or extension of credit and any transfer upon foreclosure upon such Common Stock or such securities;

(b) transactions relating to shares of Common Stock or other securities acquired in the Offering or in the open market after the completion of the Offering;

(c) bona fide gifts or for bona fide estate planning purposes; *provided* that it shall be a condition to any transfer pursuant to this clause (c) that the transferee agrees to be bound by the terms of this Lock-Up Letter Agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee were a party hereto;

(d) gifts, sales, distributions or other dispositions of shares of any class of the Company’s capital stock, in each case (A) that are made exclusively between and among the undersigned or members of the undersigned’s family or other dependents, or (B) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, (1) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act) of the undersigned, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the undersigned or affiliates of the undersigned (including, for the avoidance of doubt, where the undersigned is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (2) as part of a distribution, transfer or disposition to members, partners, shareholders or other equity holders of the undersigned; *provided* that it shall be a condition to any transfer pursuant to this clause (d) that any transferee agrees to be bound by the terms of this Lock-Up Letter Agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee were a party hereto, and *provided further* that in the case of any transfer or distribution pursuant to clause (B), it shall be a condition to such transfer that no public filing, report or announcement shall be voluntarily made and if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of Common Stock in connection with such transfer or distribution, shall be legally required during the Lock-Up Period, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer;

(e) transfers by will or other testamentary document, or intestacy;

(f) if the undersigned is a trust, transfers to the grantor or beneficiary of such trust; *provided* that it shall be a condition to any transfer pursuant to this clause (f) that the transferee agrees to be bound by the terms of this Lock-Up Letter Agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee were a party hereto;

(g) transfers to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (b) through (e) above *provided* that it shall be a condition to any transfer pursuant to this clause (g) that the transferee agrees to be bound by the terms of this Lock-Up Letter Agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee were a party hereto;

(h) the cashless exercise or surrender of warrants, the conversion of preferred stock or the cashless exercise or surrender of stock options or settlement of restricted stock units or other equity awards granted pursuant to the Company's stock option/incentive plans or otherwise outstanding on the date hereof; *provided*, that the restrictions shall apply to shares of Common Stock issued upon such exercise or conversion;

(i) transfers to the Company to the extent necessary to fund the exercise price of options held by the undersigned and the payment of taxes due with respect to the exercise, vesting, or lapse of substantial risk of forfeiture or other similar taxable event, of restricted stock, restricted stock units, stock options or other rights to purchase or receive shares of Common Stock pursuant to the Company's stock option/equity incentive plans disclosed in the Prospectus relating to the Offering;

(j) transfers to the Company or its subsidiaries upon death, disability or termination of employment of the undersigned;

(k) tenders, sales or other transfers pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction made to all holders of shares of Common Stock involving a "change of control" (as defined below) of the Company (provided that if such transaction is not consummated, the undersigned's shares of Common Stock shall remain subject to the restrictions set forth herein). For purposes of this clause (k), "change of control" means the consummation of any bona fide third party tender offer, merger, consolidation or other similar transaction the result of which is that any "person" (as defined in Section 13(d)(3) of the Exchange Act, or group of persons, other than the Company, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of more than 50% of total voting power of the voting stock of the Company;

(l) transfers pursuant to an order of a court or regulatory agency (for purposes of this Lock-Up Letter Agreement, a "court or regulatory agency" means any domestic or foreign, federal, state or local government, including any political subdivision thereof, any governmental or quasi-governmental authority, department, agency or official, any court or administrative body, and any national securities exchange or similar self-regulatory body or organization, in each case of competent jurisdiction); provided that any filing under Section 16(a) of the Exchange Act in connection with such transfer shall indicate, to the extent permitted by such section and the related rules and regulations, that such transfer is pursuant to an order of a court or regulatory agency;

(m) transfers to the Company pursuant to any call or put provisions of existing employment agreements and equity grant documents; provided that any filing under Section 16(a) of the Exchange Act in connection with such transfer shall indicate, to the extent permitted by such section and the related rules and regulations, the reason for such disposition and that such transfer was solely to the Company;

(n) transfers of Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock, pursuant to any contract, instruction or plan that satisfies all of the requirements of Rule 10b5-1 under the Exchange Act (a "***Rule 10b5-1 Plan***"), or the establishment of a Rule 10b5-1 Plan; provided, however, that no sales of Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock, shall be made pursuant to a Rule 10b5-1 Plan prior to the expiration of the Lock-Up Period (as the same may be extended pursuant to the provisions hereof) other than pursuant to a Rule 10b5-1 Plan in effect on the date hereof; *provided further*, that neither the undersigned nor the Company is required to report the establishment of such Rule 10b5-1 Plan in any public report or filing with the Commission under the Exchange Act during the Lock-Up Period and does not otherwise voluntarily effect any such public filing or report regarding such Rule 10b5-1 Plan;

(o) any demands or requests for, exercises of any right with respect to, or taking of any action in preparation of, the registration by the Company under the Securities Act of the undersigned's shares of Common Stock, provided that no transfer of the undersigned's shares of Common Stock registered pursuant to the exercise of any such right and no registration statement shall be filed under the Securities Act with respect to any of the undersigned's shares of Common Stock during the Lock-Up Period; and

(p) the distribution of Shares by the undersigned in one or more distributions in kind to the partners, members or equityholders of the undersigned and/or its affiliates up to the number of Shares disclosed in the Prospectus related to this Offering in the definition of "SLP Distribution" in the section titled "Basis of Presentation" (and if the underwriters' option to purchase additional shares pursuant to the Underwriting Agreement is exercised, up to the number of Shares disclosed in the parenthetical in the definition of "SLP Distribution" in the section titled "Basis of Presentation"); *provided* that it shall be a condition to any transfer pursuant to this clause (p) to a partner, member or equityholder of the undersigned that (1) is a current employee of Silver Lake Group, L.L.C or any of its affiliates (other than any portfolio company thereof), that the undersigned notifies such employee in writing that s/he is restricted from selling, trading or otherwise disposing of Shares received by such employee in the SLP Distribution for the period beginning on the date hereof and ending on the date that is 30 days from the date of the Prospectus (but subject to the exceptions set forth in foregoing clauses (a) through (o)) or (2) is an entity that is controlled by or under common control with SLP Fastball Aggregator, L.P. (each, a "***Silver Lake GP Entity***") that the transferee agrees to be bound by the terms of this Lock-Up Letter Agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee were a party hereto but only for a period beginning on the date hereof and ending on the date that is 30 days from the date of the Prospectus; *provided further*, that the Silver Lake GP Entities be permitted to offer for sale, sell or otherwise dispose of, in the aggregate, up to 5.0% of all of the Shares distributed to the general partners in the SLP Distribution as such term is defined in the Prospectus related to this Offering.

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Letter Agreement.

It is understood that, if the Company notifies the Underwriters that it does not intend to proceed with the Offering through the Representatives, if the Underwriters notify the Company that they do not intend to proceed with the Offering, if the Underwriting Agreement does not become effective, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Stock, the undersigned will be released from its obligations under this Lock-Up Letter Agreement.

The undersigned understands that the Company and the Underwriters will proceed with the Offering in reliance on this Lock-Up Letter Agreement.

Whether or not the Offering actually occurs depends on a number of factors, including, without limitation, market conditions. Any Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company, the Selling Stockholders named therein and the Underwriters.

The undersigned acknowledges and agrees that the Underwriters have not provided any recommendation or investment advice nor have the Underwriters solicited any action from the undersigned with respect to the Offering and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate.

This Lock-Up Letter Agreement and any transaction contemplated by this Lock-Up Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles that would result in the application of any other law than the laws of the State of New York (other than Section 5-1401 of the General Obligations Law).

This Lock-Up Letter Agreement shall automatically terminate upon the termination of the Underwriting Agreement before the sale of any Stock to the Underwriters.

[Signature page follows]

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Letter Agreement and that, upon request, the undersigned will execute any additional documents necessary in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the heirs and executors (in the case of individuals), personal representatives, successors and assigns of the undersigned.

Very truly yours,

By: ______________________________

Name:

Title:

Dated: ________________

Exhibit 5.1

Simpson Thacher & Bartlett LLP

425 LEXINGTON AVENUE
NEW YORK, NY 10017-3954

TELEPHONE: +1-212-455-2000
FACSIMILE: +1-212-455-2502

November 8, 2021

First Advantage Corporation
1 Concourse Parkway NE, Suite 200
Atlanta, Georgia 30328

Ladies and Gentlemen:

We have acted as counsel to First Advantage Corporation, a Delaware corporation (the "Company"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), relating to the sale by the selling stockholders referred to in the Registration Statement of an aggregate of up to 17,250,000 shares of common stock, par value $0.001 per share (the "Common Stock"), of the Company (together with any additional shares of such Common Stock that may be sold by the selling stockholders pursuant to Rule 462(b) (as prescribed by the Commission pursuant to the Act) in connection with the offering described in the Registration Statement, the "Shares") currently issued and outstanding.

We have examined the Registration Statement. In addition, we have examined, and have relied as to matters of fact upon, originals, or duplicates or certified or conformed copies, of such records, agreements, documents and other instruments and such certificates or comparable documents of public officials and of officers and representatives of the Company and have made such other investigations as we have deemed relevant and necessary in connection with the opinion hereinafter set forth.

In rendering the opinion set forth below, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies and the authenticity of the originals of such latter documents.

Based upon the foregoing, and subject to the qualifications, assumptions and limitations stated herein, we are of the opinion that the Shares have been validly issued and are fully paid and nonassessable.

We do not express any opinion herein concerning any law other than the Delaware General Corporation Law.

We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement and to the use of our name under the caption "Legal Matters" in the prospectus included in the Registration Statement.

Very truly yours,

/s/ Simpson Thacher & Bartlett LLP

SIMPSON THACHER & BARTLETT LLP

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of our report dated April 2, 2021 (June 14, 2021 as to the effects of the stock split described in Note 17), relating to the financial statements of First Advantage Corporation (formerly "Fastball Intermediate, Inc."). We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ Deloitte & Touche LLP

Atlanta, GA

November 8, 2021

Exhibit 23.3

Consent of Stax Inc.

November 8, 2021

First Advantage Corporation
1 Concourse Pkwy NE, Suite 200
Atlanta, GA 30328

Ladies and Gentlemen:

Stax Inc. hereby consents to references to its name in the registration statement on Form S-1 (the "**Registration Statement**") in relation to the public offering of shares of common stock of First Advantage Corporation (the "**Company**") to be filed with the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended, any written correspondences with the SEC and any other future filings with the SEC, including filings on Form 10-K or Form 8-K or other SEC filings (collectively, the "**SEC Filings**").

Stax Inc. hereby further consents to inclusion of, summary of and reference to (i) any data contained in the reports and materials it provides to the Company and (ii) any other information, data and statements prepared by Stax Inc., whether or not publicly available, as well as citation of any of the foregoing in the Company's Registration Statement and SEC Filings and in roadshow and other promotional materials in connection with the proposed offering under the Registration Statement.

Stax Inc. also hereby consents to the filing of this letter as an exhibit to the Registration Statement.

Yours faithfully

For and on behalf of
Stax Inc.

/s/ Palash Misra
Name: Palash Misra
Title: Director