

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

FORM 10-Q

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

For the quarterly period ended **June 30, 2025**

OR

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

For the transition period from _____ to _____

Commission File Number: **001-31666**

First Advantage Corporation

(Exact Name of Registrant as Specified in its Charter)

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

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

30328
(Zip Code)

(678) 868-4151

(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

As of August 1, 2025 the registrant had 173,990,560 shares of common stock, \$0.001 par value per share, outstanding.

Table of Contents

	<u>Page</u>	
PART I.	<u>FINANCIAL INFORMATION</u>	2
Item 1.	<u>Financial Statements (Unaudited)</u>	2
	<u>Condensed Consolidated Balance Sheets</u>	2
	<u>Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)</u>	3
	<u>Condensed Consolidated Statements of Cash Flows</u>	4
	<u>Condensed Consolidated Statements of Changes in Stockholders' Equity</u>	5
	<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	21
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	37
Item 4.	<u>Controls and Procedures</u>	37
PART II.	<u>OTHER INFORMATION</u>	38
Item 1.	<u>Legal Proceedings</u>	38
Item 1A.	<u>Risk Factors</u>	38
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	38
Item 3.	<u>Defaults Upon Senior Securities</u>	38
Item 4.	<u>Mine Safety Disclosures</u>	38
Item 5.	<u>Other Information</u>	38
Item 6.	<u>Exhibits</u>	40
	<u>Signatures</u>	41

PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

First Advantage Corporation
Condensed Consolidated Balance Sheets
(Unaudited)

(in thousands, except share and par value amounts)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 184,261	\$ 168,688
Restricted cash	84	795
Accounts receivable (net of allowance for doubtful accounts of \$5,191 and \$3,832 at June 30, 2025 and December 31, 2024, respectively)	283,078	266,800
Prepaid expenses and other current assets	25,462	31,041
Income tax receivable	9,961	8,669
Total current assets	<u>502,846</u>	<u>475,993</u>
Property and equipment, net	275,635	307,539
Goodwill	2,143,359	2,124,528
Intangible assets, net	925,327	987,948
Deferred tax asset, net	4,951	5,682
Other assets	19,094	21,203
TOTAL ASSETS	<u><u>\$ 3,871,212</u></u>	<u><u>\$ 3,922,893</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 111,640	\$ 120,872
Accrued compensation	53,325	52,805
Accrued liabilities	56,462	44,700
Current portion of long-term debt	21,850	21,850
Current portion of operating lease liability	3,844	4,245
Income tax payable	1,446	1,942
Deferred revenues	4,824	4,274
Total current liabilities	<u>253,391</u>	<u>250,688</u>
Long-term debt (net of deferred financing costs of \$38,403 and \$41,861 at June 30, 2025 and December 31, 2024, respectively)	2,104,285	2,121,289
Deferred tax liability, net	194,998	222,738
Operating lease liability, less current portion	7,339	9,149
Other liabilities	12,036	11,990
Total liabilities	<u>2,572,049</u>	<u>2,615,854</u>
COMMITMENTS AND CONTINGENCIES (Note 12)		
EQUITY		
Common stock - \$0.001 par value; 1,000,000,000 shares authorized, 173,839,182 and 173,171,145 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	174	173
Additional paid-in-capital	1,517,179	1,504,007
Accumulated deficit	(200,694)	(159,808)
Accumulated other comprehensive loss	(17,496)	(37,333)
Total equity	<u>1,299,163</u>	<u>1,307,039</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 3,871,212</u></u>	<u><u>\$ 3,922,893</u></u>

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)

<i>(in thousands, except share and per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
REVENUES	\$ 390,633	\$ 184,546	\$ 745,221	\$ 353,962
OPERATING EXPENSES:				
Cost of services (exclusive of depreciation and amortization below)	207,841	92,348	400,406	179,540
Product and technology expense	25,676	13,677	52,831	26,143
Selling, general, and administrative expense	57,473	38,640	123,058	79,302
Depreciation and amortization	61,906	29,978	123,572	59,800
Total operating expenses	352,896	174,643	699,867	344,785
INCOME FROM OPERATIONS	37,737	9,903	45,354	9,177
OTHER EXPENSE, NET:				
Interest expense, net	44,785	7,353	91,365	10,923
Loss on extinguishment of debt	254	—	254	—
Total other expense, net	45,039	7,353	91,619	10,923
(LOSS) INCOME BEFORE PROVISION FOR INCOME TAXES	(7,302)	2,550	(46,265)	(1,746)
(Benefit) provision for income taxes	(7,610)	689	(5,379)	(699)
NET INCOME (LOSS)	\$ 308	\$ 1,861	\$ (40,886)	\$ (1,047)
Foreign currency translation income (loss)	14,384	(1,298)	19,837	(3,071)
COMPREHENSIVE INCOME (LOSS)	\$ 14,692	\$ 563	\$ (21,049)	\$ (4,118)
NET INCOME (LOSS)	\$ 308	\$ 1,861	\$ (40,886)	\$ (1,047)
Basic net income (loss) per share	\$ 0.00	\$ 0.01	\$ (0.24)	\$ (0.01)
Diluted net income (loss) per share	\$ 0.00	\$ 0.01	\$ (0.24)	\$ (0.01)
Weighted average number of shares outstanding - basic	173,288,662	143,863,667	172,930,881	143,727,612
Weighted average number of shares outstanding - diluted	175,069,451	145,856,112	172,930,881	143,727,612

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

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

<i>(in thousands)</i>	Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (40,886)	\$ (1,047)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	123,572	59,800
Loss on extinguishment of debt	254	—
Amortization of deferred financing costs	3,205	916
Bad debt recovery	(1,495)	(156)
Deferred taxes	(26,965)	(14,601)
Share-based compensation	13,709	9,799
Loss (gain) on disposal of fixed assets and impairment of ROU assets	527	(26)
Change in fair value of interest rate swaps	6,419	(9,177)
Changes in operating assets and liabilities:		
Accounts receivable	(13,033)	11,919
Prepaid expenses and other assets	1,878	2,245
Accounts payable	(12,049)	7,565
Accrued compensation and accrued liabilities	2,585	7,203
Deferred revenues	501	373
Operating lease liabilities	(155)	(467)
Other liabilities	(308)	(626)
Income taxes receivable and payable, net	(943)	(3,348)
Net cash provided by operating activities	<u>56,816</u>	<u>70,372</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capitalized software development costs	(22,180)	(12,894)
Purchases of property and equipment	(1,718)	(970)
Other investing activities	82	52
Net cash used in investing activities	<u>(23,816)</u>	<u>(13,812)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of Amended First Lien Credit Facility	(20,462)	—
Proceeds from issuance of common stock under share-based compensation plans	2,219	1,197
Net settlement of share-based compensation plan awards	(2,761)	(311)
Payments on deferred purchase agreements	—	(469)
Cash dividends paid	(103)	(204)
Net cash (used in) provided by financing activities	<u>(21,107)</u>	<u>213</u>
Effect of exchange rate on cash, cash equivalents, and restricted cash	2,969	(1,036)
Increase in cash, cash equivalents, and restricted cash	14,862	55,737
Cash, cash equivalents, and restricted cash at beginning of period	169,483	213,912
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 184,345</u>	<u>\$ 269,649</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for income taxes, net of refunds received	\$ 24,273	\$ 17,158
Cash paid for interest	\$ 84,140	\$ 23,887
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Property and equipment acquired on account	\$ 426	\$ 1,030
Non-cash property and equipment additions	\$ —	\$ 540

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

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

<i>(in thousands)</i>	Common Stock	Additional Paid-In-Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
BALANCE – December 31, 2024	\$ 173	\$ 1,504,007	\$ (159,808)	\$ (37,333)	\$ 1,307,039
Share-based compensation	—	7,967	—	—	7,967
Forfeitures of previously declared cash dividends	—	5	—	—	5
Proceeds from issuance of common stock under share-based compensation plans	2	1,688	—	—	1,690
Common stock withheld for tax obligations on restricted stock unit and option settlement	(1)	(2,204)	—	—	(2,205)
Foreign currency translation	—	—	—	5,453	5,453
Net loss	—	—	(41,194)	—	(41,194)
BALANCE – March 31, 2025	\$ 174	\$ 1,511,463	\$ (201,002)	\$ (31,880)	\$ 1,278,755
Share-based compensation	—	5,742	—	—	5,742
Proceeds from issuance of common stock under share-based compensation plans	0	531	—	—	531
Common stock withheld for tax obligations on restricted stock unit and option settlement	(0)	(557)	—	—	(557)
Foreign currency translation	—	—	—	14,384	14,384
Net income	—	—	308	—	308
BALANCE – June 30, 2025	<u>\$ 174</u>	<u>\$ 1,517,179</u>	<u>\$ (200,694)</u>	<u>\$ (17,496)</u>	<u>\$ 1,299,163</u>

<i>(in thousands)</i>	Common Stock	Additional Paid-In-Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
BALANCE – December 31, 2023	\$ 145	\$ 977,290	\$ (49,545)	\$ (21,157)	\$ 906,733
Share-based compensation	—	4,751	—	—	4,751
Forfeitures of previously declared cash dividends	—	6	—	—	6
Proceeds from issuance of common stock under share-based compensation plans	0	976	—	—	976
Common stock withheld for tax obligations on restricted stock unit and option settlement	(0)	(41)	—	—	(41)
Foreign currency translation	—	—	—	(1,773)	(1,773)
Net loss	—	—	(2,908)	—	(2,908)
BALANCE – March 31, 2024	\$ 145	\$ 982,982	\$ (52,453)	\$ (22,930)	\$ 907,744
Share-based compensation	—	5,048	—	—	5,048
Forfeitures of previously declared cash dividends	—	5	—	—	5
Proceeds from issuance of common stock under share-based compensation plans	0	221	—	—	221
Common stock withheld for tax obligations on restricted stock unit and option settlement	(0)	(270)	—	—	(270)
Foreign currency translation	—	—	—	(1,298)	(1,298)
Net income	—	—	1,861	—	1,861
BALANCE – June 30, 2024	<u>\$ 145</u>	<u>\$ 987,986</u>	<u>\$ (50,592)</u>	<u>\$ (24,228)</u>	<u>\$ 913,311</u>

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

First Advantage Corporation
Notes to Unaudited Condensed Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Note 2. Summary of Significant Accounting Policies

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

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

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

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

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

The following table presents information about the Company’s financial assets and liabilities that are measured at fair value on a recurring basis and their assigned levels within the valuation hierarchy as of June 30, 2025 (in thousands):

	Level 1	Level 2	Level 3
Liabilities			
Interest rate swaps	\$ —	\$ 5,720	\$ —

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

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

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

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

Concentrations of Credit Risk — Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Cash is deposited with major financial institutions and, at times, such balances with each financial institution may be in excess of insured limits. The Company has not experienced, and does not anticipate, any losses with respect to its cash deposits. Accounts receivable represent credit granted to customers for services provided. The Company performs ongoing credit evaluations of its customers’ financial condition and generally does not require collateral on accounts receivable. The Company did not have any customers which represented 10% or more of its consolidated revenues in any segment during the three and six months ended June 30, 2025. The Company had one customer which represented approximately 11% of its consolidated revenues during the three and six months ended June 30, 2024, in its First Advantage Americas segment. Additionally, the Company did not have any customers which represented 10% or more of its consolidated accounts receivable, net for any period presented.

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

Foreign Currency — The functional currency of all of the Company’s foreign subsidiaries is the applicable local currency. The translation of the applicable foreign currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenues and expense accounts using average exchange rates prevailing during the fiscal year. Adjustments resulting from the translation of foreign currency financial statements are accumulated net of tax in a separate component of equity. Foreign currency translation income (loss) included in accumulated other comprehensive loss was approximately \$14.4 million and \$(1.3) million for the three months ended June 30, 2025 and 2024, respectively. Foreign currency translation income (loss) included in accumulated other comprehensive loss was approximately \$19.8 million and \$(3.1) million for the six months ended June 30, 2025 and 2024, respectively.

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 loss. Foreign currency transaction (loss) income included in the accompanying condensed consolidated statements of operations and comprehensive income (loss) was approximately \$(0.6) million and \$0.6 million for the three months ended June 30, 2025 and 2024, respectively. Foreign currency transaction (loss) income included in the accompanying condensed consolidated statements of operations and comprehensive income (loss) was approximately \$(0.8) million and \$0.6 million for the six months ended June 30, 2025 and 2024, respectively.

Recent Accounting Pronouncements — There were no accounting pronouncements issued during the six months ended June 30, 2025 that are expected to have a material impact on the condensed consolidated financial statements.

Note 3. Acquisitions

2024 Acquisition

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

Sterling was determined to constitute a business and the Company was deemed to be the acquirer under ASC 805. The Company recorded a preliminary allocation of the purchase price to assets acquired and liabilities assumed based on their estimated fair values as of October 31, 2024.

During the six months ended June 30, 2025, the Company identified measurement period adjustments related to its preliminary allocation of the purchase price. The measurement period adjustments were due to revisions to estimates for working capital and tax balances, resulting in a \$0.7 million decrease to current assets, a \$5.8 million increase to current liabilities, a \$0.1 million increase to deferred tax liabilities, and a \$0.2 million decrease to other liabilities. The net impact of these adjustments was a \$6.4 million increase to goodwill. The allocation was finalized as of June 30, 2025.

The following table summarizes the consideration paid and the amounts recognized for the assets acquired and liabilities assumed as of June 30, 2025 (in thousands):

Consideration	
Cash consideration	\$ 1,152,163
Plus: fair value of assumed Sterling equity awards to receive cash attributable to pre-combination service	15,905
Plus: repayment of Sterling's outstanding debt	535,046
Plus: fair value of First Advantage common stock issued	490,098
Plus: fair value of assumed Sterling equity awards to receive equity awards attributable to pre-combination service	4,487
Total fair value of consideration transferred	\$ 2,197,699
Current assets	\$ 226,800
Property and equipment, including software developed for internal use	273,370
Intangible assets	717,000
Deferred tax asset	58,100
Other assets	12,516
Current liabilities	(155,596)
Deferred tax liability	(238,221)
Other liabilities	(16,075)
Total identifiable net assets	\$ 877,894
Goodwill	\$ 1,319,805

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

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

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

Pro Forma Results

The following summary, prepared on a pro forma basis pursuant to ASC 805, presents the Company's consolidated results of operations for the three and six months ended June 30, 2024, as if the Sterling Acquisition had been completed on January 1, 2023. The pro forma results below include the impact of certain adjustments related to the amortization of intangible assets, transaction-related costs incurred as of the acquisition date, and interest expense on related borrowings, and in each case, the related income tax effects, as well as certain other post-acquisition adjustments attributable to the Sterling Acquisition. This pro forma presentation does not include any impact of transaction synergies. The pro forma results are not necessarily indicative of the results of operations that actually would have been achieved had the Sterling Acquisition been consummated as of January 1, 2023.

<i>(in thousands, unaudited)</i>	<u>Three Months Ended June 30, 2024</u>	<u>Six Months Ended June 30, 2024</u>
Revenue	\$ 384,795	\$ 739,931
Net loss	\$ (25,544)	\$ (58,702)

Note 4. Property and Equipment, net

Property and equipment, net as of June 30, 2025 and December 31, 2024 consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Furniture and equipment	\$ 31,954	\$ 32,054
Capitalized software for internal use, acquired by business combination	491,372	490,346
Capitalized software for internal use, developed internally or otherwise purchased	143,804	125,973
Leasehold improvements	2,787	3,007
Total property and equipment	669,917	651,380
Less: accumulated depreciation and amortization	(394,282)	(343,841)
Property and equipment, net	\$ 275,635	\$ 307,539

Depreciation and amortization expense of property and equipment was approximately \$27.7 million and \$15.7 million for the three months ended June 30, 2025 and 2024, respectively. Depreciation and amortization expense of property and equipment was approximately \$55.3 million and \$31.3 million for the six months ended June 30, 2025 and 2024, respectively.

Note 5. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the six months ended June 30, 2025 by reportable segment were as follows (in thousands):

	First Advantage Americas	First Advantage International	Sterling	Total
Balance – December 31, 2024	\$ 703,294	\$ 114,341	\$ 1,306,893	\$ 2,124,528
Adjustments to initial purchase price allocations	—	—	6,440	6,440
Foreign currency translation	46	3,323	9,022	12,391
Balance – June 30, 2025	\$ 703,340	\$ 117,664	\$ 1,322,355	\$ 2,143,359

The following summarizes the gross carrying value and accumulated amortization for the Company's trade names, customer lists, and other intangible assets as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Useful Life (in years)
Trade names	\$ 158,473	\$ (49,179)	\$ 109,294	5-20 years
Customer lists	1,176,724	(362,227)	814,497	13-14 years
Other intangible assets	2,404	(868)	1,536	5 years
Total	\$ 1,337,601	\$ (412,274)	\$ 925,327	

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

Amortization expense of trade names, customer lists, and other intangible assets was approximately \$34.2 million and \$14.3 million for the three months ended June 30, 2025 and 2024, respectively. Amortization expense of trade names, customer lists, and other intangible assets was approximately \$68.3 million and \$28.5 million for the six months ended June 30, 2025 and 2024, respectively. Trade names and customer lists are amortized on an accelerated basis based upon their estimated useful life. Other intangible assets are amortized on a straight-line or accelerated basis over their expected useful life of five years.

Note 6. Debt

The fair value of the Company's debt obligation approximated its book value as of June 30, 2025 and December 31, 2024 and consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Amended First Lien Credit Facility	\$ 2,164,538	\$ 2,185,000
Less: Current portion of long-term debt	(21,850)	(21,850)
Total long-term debt	\$ 2,142,688	\$ 2,163,150
Less: Deferred financing costs	(38,403)	(41,861)
Long-term debt, net	<u>\$ 2,104,285</u>	<u>\$ 2,121,289</u>

First Advantage Holdings, LLC, an indirect wholly-owned subsidiary of the Company, is a party to a First Lien Credit Agreement (as amended, "2024 First Lien Credit Agreement"), which provides for a term loan of \$2.185 billion due October 31, 2031, carrying an interest rate of 3.00% to 3.25%, based on the first lien ratio, plus the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York ("SOFR") and an applicable margin ("Amended First Lien Credit Facility"), and a \$250.0 million revolving credit facility due October 31, 2029 ("Amended Revolver"). The effective interest rate on the Amended First Lien Credit Facility, which is calculated as the contractual interest rates adjusted for the debt issuance costs is 8.20%.

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

The 2024 First Lien Credit Agreement is collateralized by substantially all assets and capital stock owned by direct and indirect domestic subsidiaries and is governed by certain restrictive covenants including limitations on indebtedness, liens, and other corporate actions such as investments and acquisitions. In the event the Company's outstanding indebtedness under the Amended Revolver exceeds 40.0% of the aggregate principal amount of the revolving commitments then in effect, it is required to maintain a consolidated first lien leverage ratio no greater than 7.75 to 1.00. As of June 30, 2025, there were no outstanding borrowings under the Amended Revolver and \$2,164.5 million outstanding under the Amended First Lien Credit Facility. In addition, \$0.7 million in letters of credit were issued under the 2024 First Lien Credit Agreement to support two office leases. As the Company had no outstanding amounts under the Amended Revolver, it was not subject to the consolidated first lien leverage ratio covenant. The Company was compliant with all covenants under the agreement as of June 30, 2025.

In May 2025, the Company made a voluntary principal repayment of \$15.0 million on its outstanding Amended First Lien Credit Facility. As a result of this prepayment, the Company recorded a total loss on extinguishment of debt of \$0.3 million, stemming from the write-off of unamortized deferred financing costs. No prepayment penalties were incurred.

Note 7. Derivatives

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

As of June 30, 2025, the Company had the following outstanding derivatives that were not designated as a hedge in qualifying hedging relationships:

Product	Effective Date	Maturity Date	Notional	Rate
Interest rate swap	June 30, 2023	February 28, 2026	\$100.0 million	4.32%
Interest rate swap	December 29, 2023	December 31, 2026	\$150.0 million	3.86%
Interest rate swap	March 1, 2024	December 31, 2026	\$150.0 million	3.76%
Interest rate swap	August 31, 2024	December 31, 2026	\$160.0 million	3.72%
Interest rate swap	October 31, 2024	October 31, 2027	\$275.0 million	3.94%
Interest rate swap	April 30, 2025	April 30, 2028	\$250.0 million	3.56%

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

The following is a summary of location and fair value of the financial positions recorded related to the derivative instruments as of June 30, 2025 and December 31, 2024 (in thousands):

Derivatives not designated as hedging instruments	Balance Sheet Location	Fair Value	
		June 30, 2025	December 31, 2024
Interest rate swaps	Prepaid expenses and other current assets	\$ —	\$ 3,110
Interest rate swaps	Accrued liabilities	\$ 5,720	\$ 247

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

Derivatives not designated as hedging instruments	Income Statement Location	(Loss) Gain			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Interest rate collars	Interest expense, net	\$ —	\$ —	\$ —	\$ 951
Interest rate swaps	Interest expense, net	\$ (2,483)	\$ 2,132	\$ (6,419)	\$ 8,226

Note 8. Income Taxes

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

For the three and six months ended June 30, 2025, the Company estimated the annual effective tax rate based on projected income for the full year and recorded a quarterly tax provision in accordance with the annual effective tax rate and adjusted for discrete tax items in the period.

The effective income tax rates for the three and six months ended June 30, 2025 was 104.2% and 11.6%, respectively. The Company's effective income tax rates for the three and six months ended June 30, 2025 differed from the U.S. federal statutory rate of 21% primarily due to the jurisdictional mix of earnings, driven by significant acquisition-related depreciation and amortization that impacted U.S. net loss in the periods and income taxes in the majority of foreign jurisdictions. The effective tax rates were further impacted by U.S. state income taxes and non-deductible share-based compensation.

The effective income tax rates for the three and six months ended June 30, 2024 was 27.0% and 40.0%, respectively. The Company's effective income tax rates for the three and six months ended June 30, 2024 was higher than the U.S. federal statutory rate of 21% primarily due to nondeductible share-based compensation and U.S. state income taxes.

Note 9. Revenues

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

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

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

Contract balances are generated when the revenues recognized in a given period varies from billing. A contract asset is created when the Company performs a service for a customer and recognizes more revenues than what has been billed. The contract asset balance was \$11.6 million and \$5.9 million as of June 30, 2025 and December 31, 2024, respectively, and is included in accounts receivable, net in the accompanying condensed consolidated balance sheets.

A contract liability is created when the Company transfers a good or service to a customer and recognizes less than what has been billed. The Company recognizes these contract liabilities as deferred revenues when the Company has an obligation to perform services for a customer in the future and has already received consideration from the customer. The contract liability balance was \$4.8 million and \$4.3 million as of June 30, 2025 and December 31, 2024, respectively, and is included in deferred revenues in the accompanying condensed consolidated balance sheets. An immaterial amount of revenues was recognized in the current period related to the beginning balance of deferred revenues.

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

Note 10. Share-based Compensation

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Share-based compensation expense				
Cost of services	\$ 556	\$ 410	\$ 1,088	\$ 767
Product and technology expense	1,806	683	2,609	1,337
Selling, general, and administrative expense	3,380	3,955	10,012	7,695
Total share-based compensation expense	\$ 5,742	\$ 5,048	\$ 13,709	\$ 9,799

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

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

As of June 30, 2025, the Company had approximately \$32.7 million of unrecognized pre-tax non-cash compensation expense, comprised of approximately \$5.1 million related to restricted stock, \$13.9 million related to RSUs, and approximately \$13.7 million related to stock options, which the Company expects to recognize over a weighted average period of 1.3 years.

2020 Equity Plan

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

A summary of the stock option activity for the six months ended June 30, 2025 is as follows:

		<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
December 31, 2024	Grants outstanding	1,602,966	\$ 5.15		
	Grants exercised	(216,805)	\$ 5.11		
	Grants cancelled/forfeited	(29,074)	\$ 5.19		
June 30, 2025	Grants outstanding	1,357,087	\$ 5.15	4.7 Years	\$15.6 million
June 30, 2025	Grants vested	941,905	\$ 5.13	4.7 Years	\$10.8 million
June 30, 2025	Grants unvested	415,182	\$ 5.20		

2021 Equity Plan

The 2021 Equity Plan is intended to provide a means through which to attract and retain key personnel and to provide a means whereby our directors, officers, employees, consultants, and advisors can acquire and maintain an equity interest in us, or be paid incentive compensation, including incentive compensation measured by reference to the value of our common stock, thereby strengthening their commitment to our welfare and aligning their interests with those of our stockholders. The 2021 Equity Plan provides for the grant of awards of stock options, stock appreciation rights, restricted shares, restricted stock units, and other equity-based or cash-based awards as determined by the Company's Compensation Committee. The 2021 Equity Plan initially had a total of 17,525,000 shares of common stock reserved. The number of reserved shares automatically increases on the first day of each calendar year commencing on January 1, 2022 and ending on January 1, 2030, in an amount equal to the lesser of (x) 2.5% of the total number of shares of common stock outstanding on the last day of the immediately preceding calendar year and (y) a number of shares as determined by the Board of Directors. As of June 30, 2025, 22,484,901 shares were available for issuance under the 2021 Equity Plan.

Stock Options

A summary of the stock option activity for the six months ended June 30, 2025 is as follows:

		<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
December 31, 2024	Grants outstanding	4,517,897	\$ 14.38		
	Grants issued	742,661	\$ 15.27		
	Grants exercised	(18,986)	\$ 13.55		
	Grants cancelled/forfeited	(69,864)	\$ 14.02		
June 30, 2025	Grants outstanding	5,171,708	\$ 14.51	7.3 Years	\$12.2 million
June 30, 2025	Grants vested	2,762,791	\$ 13.67	6.3 Years	\$8.1 million
June 30, 2025	Grants unvested	2,408,917	\$ 15.48		

The fair value for stock options granted for the six months ended June 30, 2025 was estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	<u>Options</u>
Expected stock price volatility	35.57%
Risk-free interest rate	4.06%
Expected term (in years)	6.25
Fair-value of the underlying unit	\$ 15.27

Restricted Stock Units

A summary of the RSU activity for the six months ended June 30, 2025 is as follows:

		Shares	Weighted Average Grant Date Fair Value
December 31, 2024	Nonvested RSUs	775,651	\$ 16.61
	Granted	390,595	\$ 15.45
	Vested	(151,853)	\$ 15.72
	Forfeited	(37,462)	\$ 14.54
June 30, 2025	Nonvested RSUs	976,931	\$ 16.37

Restricted Stock

A summary of the restricted stock activity for the six months ended June 30, 2025 is as follows:

		Shares	Weighted Average Grant Date Fair Value
December 31, 2024	Nonvested restricted stock	1,177,743	\$ 10.01
	Vested	(729,520)	\$ 11.42
June 30, 2025	Nonvested restricted stock	448,223	\$ 11.74

Sterling Acquisition Awards

Restricted Stock Units

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

A summary of the RSU activity for the six months ended June 30, 2025 is as follows:

		Shares	Weighted Average Grant Date Fair Value
December 31, 2024	Nonvested RSUs	89,673	\$ 18.70
	Vested	(70,339)	\$ 18.70
	Forfeited	(1,864)	\$ 18.70
June 30, 2025	Nonvested RSUs	17,470	\$ 18.70

Restricted Stock

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

A summary of the restricted stock activity for the six months ended June 30, 2025 is as follows:

		Shares	Weighted Average Grant Date Fair Value
December 31, 2024	Nonvested restricted stock	692,714	\$ 18.70
	Vested	(312,323)	\$ 18.70
	Forfeited	(59,395)	\$ 18.70
June 30, 2025	Nonvested restricted stock	320,996	\$ 18.70

2021 Employee Stock Purchase Plan (“ESPP”)

The Company’s ESPP allows eligible employees to voluntarily make after-tax contributions of up to 15% of such employee’s cash compensation to acquire Company stock during designated offering periods. Each offering period consists of one six-month purchase period. During the holding period, ESPP purchased shares are not eligible for sale or broker transfer. The Company recorded an associated expense of approximately \$0.1 million and \$0.2 million for the three months ended June 30, 2025 and 2024, respectively. The Company recorded an associated expense of approximately \$0.3 million for both the six months ended June 30, 2025 and 2024.

Note 11. Equity

Preferred Stock

As of June 30, 2025 and December 31, 2024, 250,000,000 shares of Preferred Stock were authorized, and no Preferred Stock was issued or outstanding.

Note 12. Commitments and Contingencies

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

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

For all pending matters, the Company believes it has meritorious defenses and intends to defend vigorously or otherwise seek indemnification from other parties as appropriate. However, the Company has recorded a liability of \$10.0 million and \$11.6 million as of June 30, 2025 and December 31, 2024, respectively, for matters that it believes entail a loss that is both probable and estimable. This is included in accrued liabilities in the accompanying condensed consolidated balance sheets.

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

Note 13. Related Party Transactions

The Company had no material related party transactions for the six months ended June 30, 2025.

Note 14. Net Income (Loss) Per Share

Basic weighted-average shares outstanding excludes nonvested restricted stock. Diluted weighted average shares outstanding is similar to basic weighted-average shares outstanding, except that the weighted-average number of shares is increased to include the number of additional common shares that would have been outstanding if the potentially dilutive common share had been issued, including the dilutive impact of nonvested restricted stock. The potentially dilutive securities outstanding during the three and six months ended June 30, 2025, had an anti-dilutive effect and were therefore not included in the calculation of diluted net income (loss) per share. Basic and diluted net income (loss) per share was calculated as follows:

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Basic net income (loss) per share	\$ 0.00	\$ 0.01	\$ (0.24)	\$ (0.01)
Diluted net income (loss) per share	\$ 0.00	\$ 0.01	\$ (0.24)	\$ (0.01)
Numerator:				
Net income (loss) (in thousands)	\$ 308	\$ 1,861	\$ (40,886)	\$ (1,047)
Denominator:				
Weighted average number of shares outstanding - basic	173,288,662	143,863,667	172,930,881	143,727,612
Add stock options to purchase shares and restricted stock units	1,780,789	1,992,445	—	—
Weighted average number of shares outstanding - diluted	<u>175,069,451</u>	<u>145,856,112</u>	<u>172,930,881</u>	<u>143,727,612</u>

For the three months ended June 30, 2025 and 2024, a total of 2,125,020 and 901,391 stock options, RSUs, and restricted stock awards were excluded from the calculation of diluted net income per share, respectively, because their effect was anti-dilutive. For the six months ended June 30, 2025 and 2024, a total of 3,938,915 and 2,974,538 stock options, RSUs, and restricted stock awards were excluded from the calculation of diluted net loss per share, respectively, because their effect was anti-dilutive.

Note 15. Reportable Segments

The Company has three reportable segments:

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

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

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

Reconciliations of Segment Adjusted EBITDA to net income (loss) for the three and six months ended June 30, 2025 and 2024 is as follows (in thousands):

	Three Months Ended June 30, 2025			
	First Advantage Americas	First Advantage International	Sterling	Total
Total revenues	\$ 163,504	\$ 25,920	\$ 203,743	\$ 393,167
Intersegment revenues	(643)	(1,553)	(338)	(2,534)
External revenues	\$ 162,861	\$ 24,367	\$ 203,405	\$ 390,633
Less:				
Adjusted cost of services	82,994	14,530	112,621	
Other segment items	29,250	7,050	32,776	
Segment Adjusted EBITDA	\$ 51,260	\$ 4,340	\$ 58,346	\$ 113,946
Adjustments to reconcile to net income:				
Interest expense, net				44,785
Benefit for income taxes				(7,610)
Loss on extinguishment of debt				254
Depreciation and amortization				61,906
Share-based compensation				5,742
Transaction and acquisition-related charges ^(a)				2,390
Integration, restructuring, and other charges ^(b)				6,171
Net income				\$ 308

	Three Months Ended June 30, 2024			
	First Advantage Americas	First Advantage International	Sterling	Total
Total revenues	\$ 162,378	\$ 24,187	\$ —	\$ 186,565
Intersegment revenues	(416)	(1,603)	—	(2,019)
External revenues	\$ 161,962	\$ 22,584	\$ —	\$ 184,546
Less:				
Adjusted cost of services	81,120	13,217	—	
Other segment items	29,664	6,803	—	
Segment Adjusted EBITDA	\$ 51,594	\$ 4,167	\$ —	\$ 55,761
Adjustments to reconcile to net income:				
Interest expense, net				7,353
Provision for income taxes				689
Depreciation and amortization				29,978
Share-based compensation				5,048
Transaction and acquisition-related charges ^(a)				9,873
Integration, restructuring, and other charges ^(b)				959
Net income				\$ 1,861

	Six Months Ended June 30, 2025			
	First Advantage Americas	First Advantage International	Sterling	Total
Total revenues	\$ 308,857	\$ 49,695	\$ 391,261	\$ 749,813
Intersegment revenues	(1,134)	(2,816)	(642)	(4,592)
External revenues	\$ 307,723	\$ 46,879	\$ 390,619	\$ 745,221
Less:				
Adjusted cost of services	157,177	28,378	217,423	
Other segment items	60,113	13,611	67,053	
Segment Adjusted EBITDA	\$ 91,567	\$ 7,706	\$ 106,785	\$ 206,058
Adjustments to reconcile to net loss:				
Interest expense, net				91,365
Benefit for income taxes				(5,379)
Loss on extinguishment of debt				254
Depreciation and amortization				123,572
Share-based compensation				13,709
Transaction and acquisition-related charges ^(a)				6,386
Integration, restructuring, and other charges ^(b)				17,037
Net loss				\$ (40,886)

	Six Months Ended June 30, 2024			
	First Advantage Americas	First Advantage International	Sterling	Total
Total revenues	\$ 311,505	\$ 46,210	\$ —	\$ 357,715
Intersegment revenues	(731)	(3,022)	—	(3,753)
External revenues	\$ 310,774	\$ 43,188	\$ —	\$ 353,962
Less:				
Adjusted cost of services	157,190	26,054	—	
Other segment items	59,052	13,100	—	
Segment Adjusted EBITDA	\$ 95,263	\$ 7,056	\$ —	\$ 102,319
Adjustments to reconcile to net loss:				
Interest expense, net				10,923
Benefit for income taxes				(699)
Depreciation and amortization				59,800
Share-based compensation				9,799
Transaction and acquisition-related charges ^(a)				21,865
Integration, restructuring, and other charges ^(b)				1,678
Net loss				\$ (1,047)

(a) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Transaction and acquisition related charges for the three and six months ended June 30, 2025 include approximately \$2.3 million and \$6.1 million of expense, respectively, associated with the Sterling Acquisition. The three and six months ended June 30, 2024 include approximately \$9.2 million and \$20.3 million of expense, respectively, associated with the Sterling Acquisition, primarily consisting of legal, regulatory, and diligence professional service fees. The three and six months ended June 30, 2024 also include insurance costs incurred related to the Company's initial public offering.

(b) Represents charges from organizational restructuring and integration activities, non-cash, and other charges primarily related to nonrecurring legal exposures, foreign currency (gains) losses, (gains) losses on the sale of assets, and other non-recurring items. Integration, restructuring, and other charges for the three and six months ended June 30, 2025 include approximately \$3.7 million and \$11.6 million of expense, respectively, associated with the integration of Sterling.

Geographic Information

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

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

Revenues	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
United States	\$ 334,907	\$ 158,871	\$ 638,696	\$ 305,077
All other countries	55,726	25,675	106,525	48,885
Total revenues	\$ 390,633	\$ 184,546	\$ 745,221	\$ 353,962

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

	June 30, 2025	December 31, 2024
Long-lived assets, net		
United States	\$ 2,907,711	\$ 2,996,933
All other countries	448,077	436,741
Total long-lived assets, net	\$ 3,355,788	\$ 3,433,674

Note 16. Subsequent Events

On July 30, 2025, the Company amended its 2024 First Lien Credit Agreement to (i) reduce the interest rate on its Amended First Lien Credit Facility by 0.50% to a range of 2.50% to 2.75%, based on the first lien ratio, plus SOFR and (ii) reduce the interest rate on its Amended Revolver by 0.50% to a range of 2.25% to 2.75%, based on the first lien ratio, plus SOFR.

On August 1, 2025, the Company made a voluntary principal repayment of \$25.0 million on its outstanding Amended First Lien Credit Facility. The repayment was made using available cash on hand and reflects the Company's ongoing efforts to reduce leverage and strengthen its balance sheet. No prepayment penalties were incurred.

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

The following discussion and analysis of First Advantage Corporation’s financial condition and results of operations is provided as a supplement to the condensed consolidated financial statements for the three and six months ended June 30, 2025, and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, our “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024. All discussions and information in this Quarterly Report on Form 10-Q regarding our business and financial results in 2024 relate solely to our operations prior to the acquisition of Sterling Check Corp. (“Sterling” and such acquisition, the “Sterling Acquisition”), unless otherwise indicated.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, our operations and financial performance. Forward-looking statements include all statements that are not historical facts. These forward-looking statements relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. In some cases, you can identify these forward-looking statements by the use of words such as “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “future,” “will,” “seek,” “foreseeable,” the negative version of these words, or similar terms and phrases.

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

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

Glossary of Selected Terminology

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

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

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

Website and Social Media Disclosure

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

Overview

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

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

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

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

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

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

We generated revenues of \$390.6 million for the three months ended June 30, 2025, as compared to \$184.5 million for the three months ended June 30, 2024 and generated revenues of \$745.2 million for the six months ended June 30, 2025, as compared to \$354.0 million for the six months ended June 30, 2024. Approximately 86% of our revenues for the three and six months ended June 30, 2025 was generated in the United States, while the remaining 14% was generated abroad. Other than the United States, no single country accounted for 10% or more of our total revenues for the three and six months ended June 30, 2025. Please refer to "Results of Operations" for further details.

Segments

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

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

Seasonality

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

Recent Developments

Current Economic Conditions

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

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

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

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was enacted in the U.S. Significant provisions of the OBBBA include the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. The OBBBA has multiple effective dates, with certain provisions effective in 2025 and others implemented periodically through 2027. We are currently assessing the impact of the OBBBA on our consolidated financial statements.

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

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

Components of our Results of Operations

Revenues

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

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

Operating Expenses

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

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

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

Other Expense, Net

Our other expense, net consists of the following:

- *Interest expense, net*: Relates primarily to our debt service costs, the interest-related unrealized gains and losses of our interest rate derivative instruments and, to a lesser extent, the interest on our finance lease obligations and the amortization of deferred financing costs. Additionally, interest expense, net includes interest income earnings on our cash and cash equivalent balances held in interest-bearing accounts.
- *Loss on Extinguishment of Debt*: Reflects losses on the extinguishment of debt.

Provision for Income Taxes

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

Results of Operations

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

Comparison of Results of Operations for the three and six months ended June 30, 2025 compared to the three and six months ended June 30, 2024

(in thousands, except percentages)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	\$ 390,633	\$ 184,546	\$ 745,221	\$ 353,962
Operating Expenses:				
Cost of services (exclusive of depreciation and amortization below)	207,841	92,348	400,406	179,540
Product and technology expense	25,676	13,677	52,831	26,143
Selling, general, and administrative expense	57,473	38,640	123,058	79,302
Depreciation and amortization	61,906	29,978	123,572	59,800
Total operating expenses	352,896	174,643	699,867	344,785
Income from operations	37,737	9,903	45,354	9,177
Other Expense, Net:				
Interest expense, net	44,785	7,353	91,365	10,923
Loss on extinguishment of debt	254	—	254	—
Total other expense, net	45,039	7,353	91,619	10,923
(Loss) income before provision for income taxes	(7,302)	2,550	(46,265)	(1,746)
(Benefit) provision for income taxes	(7,610)	689	(5,379)	(699)
Net income (loss)	\$ 308	\$ 1,861	\$ (40,886)	\$ (1,047)
Net income (loss) margin	0.1%	1.0%	(5.5)%	(0.3)%

Revenues

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues				
First Advantage Americas	\$ 163,504	\$ 162,378	\$ 308,857	\$ 311,505
First Advantage International	25,920	24,187	49,695	46,210
Sterling	203,743	—	391,261	—
Eliminations	(2,534)	(2,019)	(4,592)	(3,753)
Total revenues	\$ 390,633	\$ 184,546	\$ 745,221	\$ 353,962

Revenues were \$390.6 million for the three months ended June 30, 2025, compared to \$184.5 million for the three months ended June 30, 2024. Revenues for the three months ended June 30, 2025 increased by \$206.1 million, or 111.7%, compared to the three months ended June 30, 2024.

The increase in revenues is due to:

- revenues of \$203.7 million, or 110.4%, attributable to Sterling as a result of the Sterling Acquisition completed on October 31, 2024; and
- revenues of \$4.7 million, or 2.5%, from new customers, primarily attributable to our First Advantage Americas segment.

These revenue increases were offset by a net decrease of \$2.3 million, or 1.2%, in revenues from existing customers, primarily due to macroeconomic pressures across a number of our customer verticals that led to reduced overall existing customer demand, as well as the impact of lost customers. These decreases in existing customer revenues were partially mitigated by continued strength from upselling and cross-selling initiatives, which contributed an additional \$9.1 million, or 4.9%, in revenue growth.

Revenues were \$745.2 million for the six months ended June 30, 2025, compared to \$354.0 million for the six months ended June 30, 2024. Revenues for the six months ended June 30, 2025 increased by \$391.3 million, or 110.5%, compared to the six months ended June 30, 2024.

The increase in revenues is due to:

- revenues of \$391.3 million, or 110.5%, attributable to Sterling as a result of the Sterling Acquisition completed on October 31, 2024; and
- revenues of \$8.7 million, or 2.4%, from new customers, primarily attributable to our First Advantage Americas segment.

These revenue increases were offset by a net decrease of \$8.7 million, or 2.4%, in revenues from existing customers, primarily due to macroeconomic pressures across a number of our customer verticals that led to reduced overall existing customer demand, as well as the impact of lost customers. These decreases in existing customer revenues were partially mitigated by continued strength from upselling and cross-selling initiatives, which contributed an additional \$16.3 million, or 4.6%, in revenue growth.

Pricing remained relatively stable across all periods.

Cost of Services

<i>(in thousands, except percentages)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of services	\$ 207,841	\$ 92,348	\$ 400,406	\$ 179,540
Revenues	\$ 390,633	\$ 184,546	\$ 745,221	\$ 353,962
Cost of services as a % of revenue	53.2%	50.0%	53.7%	50.7%

Cost of services was \$207.8 million for the three months ended June 30, 2025, compared to \$92.3 million for the three months ended June 30, 2024. Cost of services for the three months ended June 30, 2025 increased by \$115.5 million, or 125.1%, compared to the three months ended June 30, 2024.

The increase in cost of services was primarily due to \$113.2 million of Sterling costs of services recognized after the Sterling Acquisition.

Cost of services as a percentage of revenues was 53.2% for the three months ended June 30, 2025, compared to 50.0% for the three months ended June 30, 2024. The cost of services percentage of revenues for the second quarter of 2025 was impacted by Sterling's higher relative cost of services due to the segment's product and customer mix and other variations in customer ordering mix.

Cost of services was \$400.4 million for the six months ended June 30, 2025, compared to \$179.5 million for the six months ended June 30, 2024. Cost of services for the six months ended June 30, 2025 increased by \$220.9 million, or 123.0%, compared to the six months ended June 30, 2024.

The increase in cost of services was primarily due to \$219.0 million of Sterling costs of services recognized after the Sterling Acquisition.

Cost of services as a percentage of revenues was 53.7% for the six months ended June 30, 2025, compared to 50.7% for the six months ended June 30, 2024. The cost of services percentage of revenues for the second quarter of 2025 was impacted by Sterling's higher relative cost of services due to the segment's product and customer mix and other variations in customer ordering mix.

Product and Technology Expense

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Product and technology expense	\$ 25,676	\$ 13,677	\$ 52,831	\$ 26,143

Product and technology expense was \$25.7 million for the three months ended June 30, 2025, compared to \$13.7 million for the three months ended June 30, 2024. Product and technology expense for the three months ended June 30, 2025 increased by \$12.0 million, or 87.7%, compared to the three months ended June 30, 2024.

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

- \$7.0 million of Sterling personnel expenses recognized after the Sterling Acquisition
- a \$2.5 million increase in professional service fees related to continued investments in our technology platform; and
- a \$1.8 million increase in Legacy First Advantage personnel expenses as a result of additional investments made to enhance our products, solutions, and technology platform.

Product and technology expense was \$52.8 million for the six months ended June 30, 2025, compared to \$26.1 million for the six months ended June 30, 2024. Product and technology expense for the six months ended June 30, 2025 increased by \$26.7 million, or 102.1%, compared to the six months ended June 30, 2024.

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

- \$14.5 million of Sterling personnel expenses recognized after the Sterling Acquisition, of which approximately \$0.9 million related to cash compensation expense due to the conversion of Sterling equity awards to cash awards as part of the transaction;
- a \$6.3 million increase in professional service fees related to continued investments in our technology platform; and
- a \$4.2 million increase in Legacy First Advantage personnel expenses as a result of additional investments made to enhance our products, solutions, and technology platform.

Selling, General, and Administrative Expense

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Selling, general, and administrative expense	\$ 57,473	\$ 38,640	\$ 123,058	\$ 79,302

Selling, general, and administrative expense was \$57.5 million for the three months ended June 30, 2025, compared to \$38.6 million for the three months ended June 30, 2024. Selling, general, and administrative expense for the three months ended June 30, 2025 increased by \$18.8 million, or 48.7%, compared to the three months ended June 30, 2024.

Selling, general, and administrative expense increased primarily due to \$28.2 million of Sterling expenses recognized after the Sterling Acquisition, which include:

- \$1.2 million related to post-combination restructuring costs;
- \$1.0 million related to share-based compensation expense due to the conversion of Sterling equity awards to First Advantage equity awards as part of the transaction; and
- \$1.1 million related to cash compensation expense due to the conversion of Sterling equity awards to cash awards as part of the transaction.

These increases in selling, general, and administrative expense were partially offset by a \$8.2 million decrease in transaction costs attributable to the Sterling Acquisition related to professional service, legal, and other fees, that did not reoccur as the acquisition was completed on October 31, 2024.

Selling, general, and administrative expense was \$123.1 million for the six months ended June 30, 2025, compared to \$79.3 million for the six months ended June 30, 2024. Selling, general, and administrative expense for the six months ended June 30, 2025 increased by \$43.8 million, or 55.2%, compared to the six months ended June 30, 2024.

Selling, general, and administrative expense increased primarily due to \$61.8 million of Sterling expenses recognized after the Sterling Acquisition, which include:

- \$4.3 million related to share-based compensation expense due to the conversion of Sterling equity awards to First Advantage equity awards as part of the transaction;
- \$4.0 million related to cash compensation expense due to the conversion of Sterling equity awards to cash awards as part of the transaction; and
- \$3.0 million related to post-combination restructuring costs.

These increases in selling, general, and administrative expense were partially offset by a \$16.8 million decrease in transaction costs attributable to the Sterling Acquisition related to professional service, legal, and other fees, that did not reoccur as the acquisition was completed on October 31, 2024.

Depreciation and Amortization

<i>(in thousands)</i>	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Depreciation and amortization	\$ 61,906	\$ 29,978	\$ 123,572	\$ 59,800

Depreciation and amortization was \$61.9 million for the three months ended June 30, 2025, compared to \$30.0 million for the three months ended June 30, 2024. Depreciation and amortization for the three months ended June 30, 2025 increased by \$31.9 million, or 106.5%, compared to the three months ended June 30, 2024. This increase was primarily due to the impact of the step up in fair value of property and equipment and intangible assets as a result of the application of purchase accounting related to the Sterling Acquisition.

Depreciation and amortization was \$123.6 million for the six months ended June 30, 2025, compared to \$59.8 million for the six months ended June 30, 2024. Depreciation and amortization for the six months ended June 30, 2025 increased by \$63.8 million, or 106.6%, compared to the six months ended June 30, 2024. This increase was primarily due to the impact of the step up in fair value of property and equipment and intangible assets as a result of the application of purchase accounting related to the Sterling Acquisition.

Interest Expense, Net

<i>(in thousands)</i>	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense, net	\$ 44,785	\$ 7,353	\$ 91,365	\$ 10,923

Interest expense, net was \$44.8 million for the three months ended June 30, 2025, compared to \$7.4 million for the three months ended June 30, 2024. Interest expense, net for the three months ended June 30, 2025 increased by \$37.4 million or 509.1%, compared to the three months ended June 30, 2024.

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

Interest expense, net was \$91.4 million for the six months ended June 30, 2025, compared to \$10.9 million for the six months ended June 30, 2024. Interest expense, net for the six months ended June 30, 2025 increased by \$80.4 million or 736.4%, compared to the six months ended June 30, 2024.

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

Loss on Extinguishment of Debt

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Loss on extinguishment of debt	\$ 254	\$ —	\$ 254	\$ —

Loss on extinguishment of debt for the three and six months ended June 30, 2025, relates to the write-off of unamortized deferred financing costs as a result of a voluntary principal repayment of \$15.0 million on the Company's outstanding Amended First Lien Credit Facility.

Provision for Income Taxes

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(Benefit) provision for income taxes	\$ (7,610)	\$ 689	\$ (5,379)	\$ (699)

Our (benefit) provision for income taxes was \$(7.6) million for the three months ended June 30, 2025, compared to \$0.7 million for the three months ended June 30, 2024. Our provision for income taxes for the three months ended June 30, 2025 decreased by \$8.3 million, compared to the three months ended June 30, 2024.

The decrease in our provision for income taxes was primarily due to the net loss before income taxes, jurisdictional mix of earnings, higher income taxes in the jurisdictions outside of the U.S., and U.S. state income taxes, during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024.

Our benefit for income taxes was \$(5.4) million for the six months ended June 30, 2025, compared to \$(0.7) million for the six months ended June 30, 2024. Our benefit for income taxes for the six months ended June 30, 2025 increased by \$4.7 million, compared to the six months ended June 30, 2024.

The increase in our benefit for income taxes was primarily due to the increase of net book loss before income taxes, jurisdictional mix of earnings, higher income taxes in the jurisdictions outside of the U.S., and U.S. state income taxes, during the six months ended June 30, 2025, as compared to the three months ended June 30, 2024.

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

<i>(in thousands, except percentages)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 308	\$ 1,861	\$ (40,886)	\$ (1,047)
Net income (loss) margin	0.1%	1.0%	(5.5)%	(0.3)%

Net income was \$0.3 million for the three months ended June 30, 2025, compared to \$1.9 million for the three months ended June 30, 2024. Net income for the three months ended June 30, 2025 decreased by \$1.6 million compared to the three months ended June 30, 2024.

Net income margin was 0.1% for the three months ended June 30, 2025, compared to 1.0% for the three months ended June 30, 2025, as increases in depreciation and amortization, primarily as a result of the Company's Sterling Acquisition and reduced demand from customers more impacted by macroeconomic factors, contributed to lower profitability.

Net loss was \$(40.9) million for the six months ended June 30, 2025, compared to \$(1.0) million for the six months ended June 30, 2024. Net loss for the six months ended June 30, 2025 increased by \$(39.8) million compared to the six months ended June 30, 2024.

Net loss margin was (5.5)% for the six months ended June 30, 2025, compared to (0.3)% for the six months ended June 30, 2024, as increases in depreciation and amortization, primarily as a result of the Company's Sterling Acquisition and reduced demand from customers more impacted by macroeconomic factors, contributed to lower profitability.

Key Operating and Financial Metrics

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

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

Adjusted EBITDA and Adjusted EBITDA Margin

Management believes that Adjusted EBITDA is a strong indicator of our overall operating performance and is useful to management and investors as a measure of comparative operating performance from period to period. We define Adjusted EBITDA as net income (loss) 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 \$113.9 million for the three months ended June 30, 2025 and represented an Adjusted EBITDA Margin of 29.2%. Adjusted EBITDA was \$55.8 million for the three months ended June 30, 2024 and represented an Adjusted EBITDA Margin of 30.2%. Adjusted EBITDA for the three months ended June 30, 2025 increased by \$58.2 million, or 104.3%, compared to the three months ended June 30, 2024, primarily due to the Sterling Acquisition.

Adjusted EBITDA was \$206.1 million for the six months ended June 30, 2025 and represented an Adjusted EBITDA Margin of 27.7%. Adjusted EBITDA was \$102.3 million for the six months ended June 30, 2024 and represented an Adjusted EBITDA Margin of 28.9%. Adjusted EBITDA for the six months ended June 30, 2025 increased by \$103.7 million, or 101.4%, compared to the six months ended June 30, 2024, primarily due to the Sterling Acquisition.

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

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 308	\$ 1,861	\$ (40,886)	\$ (1,047)
Interest expense, net	44,785	7,353	91,365	10,923
(Benefit) provision for income taxes	(7,610)	689	(5,379)	(699)
Depreciation and amortization	61,906	29,978	123,572	59,800
Loss on extinguishment of debt	254	—	254	—
Share-based compensation ^(a)	5,742	5,048	13,709	9,799
Transaction and acquisition-related charges ^(b)	2,390	9,873	6,386	21,865
Integration, restructuring, and other charges ^(c)	6,171	959	17,037	1,678
Adjusted EBITDA	\$ 113,946	\$ 55,761	\$ 206,058	\$ 102,319

- (a) Share-based compensation for the three and six months ended June 30, 2025 includes approximately \$1.8 million and \$3.8 million, respectively, of incrementally recognized expense associated with the May 2023 modification of the vesting terms of outstanding unvested and unearned performance-based options, restricted stock units, and restricted stock awards. The three and six months ended June 30, 2024 includes approximately \$2.5 million and \$5.1 million, respectively, of incrementally recognized expense associated with the May 2023 modification of the vesting terms of outstanding unvested and unearned performance-based options, restricted stock units, and restricted stock awards.
- (b) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Transaction and acquisition related charges for the three and six months ended June 30, 2025 include approximately \$2.3 million and \$6.1 million of expense, respectively, associated with the Sterling Acquisition. The three and six months ended June 30, 2024 include approximately \$9.2 million and \$20.3 million of expense, respectively, associated with the Sterling Acquisition, primarily consisting of legal, regulatory, and diligence professional service fees. The three and six months ended June 30, 2024 also include insurance costs incurred related to the Company's initial public offering.
- (c) Represents charges from organizational restructuring and integration activities, non-cash, and other charges primarily related to nonrecurring legal exposures, foreign currency (gains) losses, (gains) losses on the sale of assets, and other non-recurring items. Integration, restructuring, and other charges for the three and six months ended June 30, 2025 include approximately \$3.7 million and \$11.6 million of expense, respectively, associated with the integration of Sterling.

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

<i>(in thousands, except percentages)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Adjusted EBITDA	\$ 113,946	\$ 55,761	\$ 206,058	\$ 102,319
Revenues	390,633	184,546	745,221	353,962
Adjusted EBITDA Margin	29.2%	30.2%	27.7%	28.9%

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

<i>(in thousands, except percentages)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Adjusted EBITDA ⁽¹⁾				
First Advantage Americas	\$ 51,260	\$ 51,594	\$ 91,567	\$ 95,263
First Advantage International	4,340	4,167	7,706	7,056
Sterling	58,346	—	106,785	—
Adjusted EBITDA	\$ 113,946	\$ 55,761	\$ 206,058	\$ 102,319
Revenues				
First Advantage Americas	\$ 163,504	\$ 162,378	\$ 308,857	\$ 311,505
First Advantage International	25,920	24,187	49,695	46,210
Sterling	203,743	—	391,261	—
Less: intersegment eliminations	(2,534)	(2,019)	(4,592)	(3,753)
Total revenues	\$ 390,633	\$ 184,546	\$ 745,221	\$ 353,962
Adjusted EBITDA Margin				
First Advantage Americas	31.4%	31.8%	29.6%	30.6%
First Advantage International	16.7%	17.2%	15.5%	15.3%
Sterling	28.6%	n/a	27.3%	n/a
Adjusted EBITDA Margin	29.2%	30.2%	27.7%	28.9%

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

Adjusted Net Income and Adjusted Diluted Earnings Per Share

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

Adjusted Net Income was \$47.0 million for the three months ended June 30, 2025, compared to \$30.8 million for the three months ended June 30, 2024. Adjusted Net Income for the three months ended June 30, 2025 increased by \$16.2 million, or 52.7% compared to the three months ended June 30, 2024, primarily due to the Sterling Acquisition. This increase was offset by changes in acquisition-related depreciation and amortization and our capital structure that are captured in interest expense.

Adjusted Diluted Earnings Per Share was \$0.27 for the three months ended June 30, 2025, compare to \$0.21 for the three months ended June 30, 2024, as increases in Adjusted Net Income were offset by the incremental interest on the transaction financing and the dilutive impact of the new shares issued for the Sterling Acquisition.

Adjusted Net Income was \$77.5 million for the six months ended June 30, 2025, compared to \$55.5 million for the six months ended June 30, 2024. Adjusted Net Income for the six months ended June 30, 2025 increased by \$21.9 million, or 39.5% compared to the six months ended June 30, 2024, primarily due to the Sterling Acquisition. This increase was offset by changes in acquisition-related depreciation and amortization and our capital structure that are captured in interest expense.

Adjusted Diluted Earnings Per Share was \$0.44 for the six months ended June 30, 2025, compare to \$0.38 for the six months ended June 30, 2024, as increases in Adjusted Net Income were offset by the incremental interest on the transaction financing and the dilutive impact of the new shares issued for the Sterling Acquisition.

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

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

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 308	\$ 1,861	\$ (40,886)	\$ (1,047)
(Benefit) provision for income taxes	(7,610)	689	(5,379)	(699)
(Loss) income before provision for income taxes	(7,302)	2,550	(46,265)	(1,746)
Debt-related charges ^(a)	5,239	(262)	12,042	(3,276)
Acquisition-related depreciation and amortization ^(b)	50,885	22,616	100,924	45,241
Share-based compensation ^(c)	5,742	5,048	13,709	9,799
Transaction and acquisition-related charges ^(d)	2,390	9,873	6,386	21,865
Integration, restructuring, and other charges ^(e)	6,171	959	17,037	1,678
Adjusted Net Income before income tax effect	63,125	40,784	103,833	73,561
Less: Adjusted income taxes ^(f)	16,160	10,031	26,382	18,022
Adjusted Net Income	\$ 46,965	\$ 30,753	\$ 77,451	\$ 55,539

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Diluted net income per share (GAAP)	\$ 0.00	\$ 0.01	\$ (0.24)	\$ (0.01)
<i>Adjusted Net Income adjustments per share</i>				
(Benefit) provision for income taxes	(0.04)	0.00	(0.03)	(0.00)
Debt-related charges ^(a)	0.03	(0.00)	0.07	(0.02)
Acquisition-related depreciation and amortization ^(b)	0.29	0.16	0.58	0.31
Share-based compensation ^(c)	0.03	0.03	0.08	0.07
Transaction and acquisition-related charges ^(d)	0.01	0.07	0.04	0.15
Integration, restructuring, and other charges ^(e)	0.04	0.01	0.10	0.01
Adjusted income taxes ^(f)	(0.09)	(0.07)	(0.15)	(0.12)
Adjusted Diluted Earnings Per Share (Non-GAAP)	\$ 0.27	\$ 0.21	\$ 0.44	\$ 0.38

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

Weighted average number of shares outstanding—diluted (GAAP)	175,069,451	145,856,112	172,930,881	143,727,612
Options and restricted stock not included in weighted average number of shares outstanding—diluted (GAAP) (using treasury stock method)	—	—	2,049,092	2,105,134
Adjusted weighted average number of shares outstanding—diluted (Non-GAAP)	175,069,451	145,856,112	174,979,973	145,832,746

- (a) Represents the non-cash interest expense related to the amortization of debt issuance costs for the February 2021 and October 2024 refinancing of the Company's First Lien Credit Facility. This adjustment also includes the impact of the change in fair value of interest rate swaps, which represents the difference between the fair value gains or losses and actual cash payments and receipts on the interest rate swaps.
- (b) Represents the depreciation and amortization expense related to incremental intangible and developed technology assets recorded due to the application of ASC 805, *Business Combinations*. As a result, the purchase accounting related depreciation and amortization expense will recur in future periods until the related assets are fully depreciated or amortized, and the related purchase accounting assets may contribute to revenue generation.
- (c) Share-based compensation for the three and six months ended June 30, 2025 includes approximately \$1.8 million and \$3.8 million, respectively, of incrementally recognized expense associated with the May 2023 modification of the vesting terms of outstanding unvested and unearned performance-based options, restricted stock units, and restricted stock awards. The three and six months ended June 30, 2024 includes approximately \$2.5 million and \$5.1 million, respectively, of incrementally recognized expense associated with the May 2023 modification of the vesting terms of outstanding unvested and unearned performance-based options, restricted stock units, and restricted stock awards.
- (d) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Transaction and acquisition related charges for the three and six months ended June 30, 2025 include approximately \$2.3 million and \$6.1 million of expense, respectively, associated with the Sterling Acquisition. The three and six months ended June 30, 2024 include approximately \$9.2 million and \$20.3 million of expense, respectively, associated with the Sterling Acquisition, primarily consisting of legal, regulatory, and diligence professional service fees. The three and six months ended June 30, 2024 also include insurance costs incurred related to the Company's initial public offering.
- (e) Represents charges from organizational restructuring and integration activities, non-cash, and other charges primarily related to nonrecurring legal exposures, foreign currency (gains) losses, (gains) losses on the sale of assets, and other non-recurring items. Integration, restructuring, and other charges for the three and six months ended June 30, 2025 include approximately \$3.7 million and \$11.6 million of expense, respectively, associated with the integration of Sterling.
- (f) Effective tax rates of approximately 25.6% and 25.4% have been used to compute Adjusted Net Income and Adjusted Diluted Earnings Per Share for the three and six months ended June 30 2025, respectively. Effective tax rates of approximately 24.6% and 24.5% have been used to compute Adjusted Net Income and Adjusted Diluted Earnings Per Share for the three and six months ended June 30 2024, respectively.

Liquidity and Capital Resources

Liquidity

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

As of June 30, 2025, we had \$184.3 million in cash and cash equivalents and \$250.0 million available under our revolving credit facility. As of June 30, 2025, we had \$2,164.5 million of total debt outstanding. We believe our cash on hand, together with amounts available under our revolving credit facility, and cash provided by operating activities are and will continue to be adequate to meet our operational and business needs in the next twelve months. To the extent additional funds are necessary to meet our long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds. In the event that we need access to additional cash, we may not be able to access the credit markets on commercially acceptable terms or at all. Our ability to fund future operating expenses and capital expenditures and our ability to meet future debt service obligations or refinance our indebtedness will depend on our future operating performance, which will be affected by general economic, financial, and other factors that may be beyond our control, including those described under our "Risk Factors" included in our 2024 Annual Report.

Dividends

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

Credit Agreement

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

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

On July 30, 2025, the Company amended its 2024 First Lien Credit Agreement to (i) reduce the interest rate on its Amended First Lien Credit Facility by 0.50% to a range of 2.50% to 2.75%, based on the first lien ratio, plus SOFR and (ii) reduce the interest rate on its Amended Revolver by 0.50% to a range of 2.25% to 2.75%, based on the first lien ratio, plus SOFR.

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

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

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

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

Cash Flow Analysis

Comparison of Cash Flows for the six months ended June 30, 2025 compared to the six months ended June 30, 2024

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

<i>(in thousands)</i>	<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Net cash provided by operating activities	\$ 56,816	\$ 70,372
Net cash used in investing activities	(23,816)	(13,812)
Net cash (used in) provided by financing activities	(21,107)	213

Cash Flows from Operating Activities

Net cash provided by operating activities was \$56.8 million for the six months ended June 30, 2025, compared to \$70.4 million for the six months ended June 30, 2024. Net cash provided by operating activities for the six months ended June 30, 2025 decreased by \$13.6 million compared to the six months ended June 30, 2024. Cash flows from operating activities for the six months ended June 30, 2025 were impacted by interest payments of \$84.1 million on the Company’s Amended First Lien Credit Facility, the timing of professional service and legal fee payments related to the Company’s acquisition and integration of Sterling, and continued moderate hiring activity by our customers due to the current macroeconomic environment.

Cash Flows from Investing Activities

Net cash used in investing activities was \$23.8 million for the six months ended June 30, 2025, compared to \$13.8 million for the six months ended June 30, 2024. Net cash used in investing activities for the six months ended June 30, 2025 increased by \$10.0 million compared to the six months ended June 30, 2024. The increase in cash flows used in investing activities was primarily due to increased spend on software development related to the Sterling platform.

Cash Flows from Financing Activities

Net cash (used in) provided by financing activities was \$(21.1) million for the six months ended June 30, 2025, compared to \$0.2 million for the six months ended June 30, 2024. Net cash used in financing activities for the six months ended June 30, 2025 was primarily driven by a \$20.5 million increase in principal payments on the Company’s Amended First Lien Credit Facility. Net cash provided by financing activities for six months ended June 30, 2024 was driven by cash inflows related to share-based compensation activity. These inflows were offset by cash outflows related to payments on the deferred purchase of a software platform and dividends paid on vested RSUs as a result of the Company’s August 2023 one-time special dividend.

Contractual Obligations and Commitments

During the three and six months ended June 30, 2025, there have been no significant changes to our contractual obligations and commitments compared with those disclosed in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our 2024 Annual Report.

Recently Issued Accounting Standards

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

Critical Accounting Policies and Estimates

During the six months ended June 30, 2025, there have been no significant changes to our critical accounting policies and estimates compared with those disclosed in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our 2024 Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As of June 30, 2025, no material change had occurred in our market risks, compared with the disclosure in our 2024 Annual Report.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

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

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

Changes in Internal Control Over Financial Reporting

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

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

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

Item 1A. Risk Factors.

There have been no material changes in our risk factors, compared with the disclosure in our 2024 Annual Report.

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

None

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not applicable

Item 5. Other Information.

Rule 10b5-1 Trading Arrangements

During the three months ended June 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated, or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K), except as described in the table below.

Director/Officer Name	Title	Date of Adoption/Termination	Trading Arrangement		Scheduled Expiration Date of Rule 10b5-1 Trading Plan ⁽²⁾	Aggregate Number of Securities to Be Purchased or Sold
			Rule 10b5-1 ⁽¹⁾	Non-Rule 10b5-1		
James L. Clark	Director	Adopted June 12, 2025	X		June 8, 2026	Sale of up to 4,416 shares of common stock in one transaction

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

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

Employment Agreement Updates

Steven Marks

In connection with Steven Marks' promotion to the role of the Company's Chief Financial Officer and Executive Vice President, effective as of November 8, 2024, on August 6, 2025, the Company entered into a new letter agreement with Mr. Marks, which supersedes Mr. Marks' prior employment letter and provides for the following changes from such prior employment letter: (i) Mr. Marks received a base salary increase from \$340,020 to \$450,000, which was effective November 8, 2024, and an annual performance bonus target increase from 20% of his base salary to 50% of his base salary and (ii) if the Company terminates Mr. Mark's employment without cause or he resigns for good reason, then subject to his continued material compliance with 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 six months following the termination date, to be paid in accordance with the Company's standard payroll schedule and monthly payments representing the continuation of healthcare benefits for six months following the termination date; provided that such payments will cease when Mr. Marks becomes eligible to obtain healthcare benefits through new employment or otherwise.

Douglas Nairne

In connection with Douglas Nairne's promotion to the role of the Company's Global Chief Operating Officer, effective as of November 1, 2024, the Company entered into an amendment to its employment agreement with Mr. Nairne on August 6, 2025, which provides for the following amendments to such employment agreement: (i) effective November 1, 2024, Mr. Nairne received a base salary increase from \$398,000 to \$500,000, (ii) his annual performance bonus target increased from 50% of his base salary to 60% of his base salary, (iii) the post-termination non-competition period was extended from three months to six months and the post-termination non-solicitation period was extended from six months to 12 months and (iv) if the Company terminates Mr. Nairne's employment for any reason (other than a reason for which the Company is permitted to terminate him without notice or pay in lieu under applicable law) or due to his death or permanent disability (if severance is required under applicable law in such circumstances), then subject to his continued material compliance with 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 six months following the termination date, to be paid in accordance with the Company's standard payroll schedule, and a payment representing the cost of continuation of healthcare benefits for six months.

The foregoing summaries of the employment agreements with Mr. Marks and Mr. Nairne are subject to, and qualified in their entirety by reference to, such agreements, which are attached to this report as Exhibit 10.1 and 10.2, respectively, and incorporated herein by reference.

Item 6. Exhibits.

Exhibit Number	Description
2.1	<u>Agreement and Plan of Merger, dated as of February 28, 2024, by and among First Advantage Corporation, Sterling Check Corp. and Starter Merger Sub, Inc. (incorporated herein by reference to Exhibit 2.1 of First Advantage Corporation's Form 8-K filed on March 1, 2024).</u>
2.2	<u>Waiver of Brazil Antitrust Filing Obligation and Closing Condition, dated as of March 25, 2024, related to the Agreement and Plan of Merger, dated as of February 28, 2024, by and among First Advantage Corporation, Sterling Check Corp. and Starter Merger Sub, Inc. (incorporated herein by reference to Exhibit 2.2 of First Advantage Corporation's Form 10-Q filed on May 9, 2024).</u>
3.1	<u>Amended and Restated Certificate of Incorporation of First Advantage Corporation (incorporated herein by reference to Exhibit 3.1 of First Advantage Corporation's Form 8-K filed on June 25, 2021).</u>
3.2	<u>Amended and Restated Bylaws of First Advantage Corporation (incorporated herein by reference to Exhibit 3.2 of First Advantage Corporation's Form 8-K filed on June 25, 2021).</u>
10.1 †	<u>Letter Agreement, dated August 6, 2025, between First Advantage Corporation and Steven Marks.</u>
10.2 †	<u>First Amendment to Employment Agreement, dated August 6, 2025, between First Advantage Limited, First Advantage Corporation and Douglas Nairne.</u>
10.3 †	<u>First Advantage Corporation Non-Employee Director Compensation Policy (as amended on August 6, 2025).</u>
10.4	<u>Amendment No. 5 to the First Lien Credit Agreement, among Fastball Parent, Inc., First Advantage Holdings, LLC, each lender from time to time party thereto, Bank of America, N.A., as Administrative Agent and Collateral Agent and the issuing banks party thereto from time to time, dated July 30, 2025 (incorporated herein by reference to Exhibit 10.1 of First Advantage Corporation's Form 8-K filed on August 4, 2025).</u>
31.1	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

† Compensatory arrangements for director(s) and/or executive officer(s).

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

SIGNATURES

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

FIRST ADVANTAGE CORPORATION

Date: August 7, 2025

By: _____ /s/ Scott Staples
Scott Staples
Chief Executive Officer
(principal executive officer)

Date: August 7, 2025

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



August 6, 2025

Dear Steven,

The following (“**Letter Agreement**” and/or “**Agreement**”) will set forth the terms and conditions of your employment with First Advantage Corporation (the “**Employer**” or the “**Company**”) and replace any previous employment offers with the Employer.

1. *Position; Duties.*

- (a) During your employment under this Letter Agreement, you will serve in a full-time capacity as **Executive Vice President, Chief Financial Officer (CFO)** of the Employer. In this position, you will have such duties, responsibilities, and authority commensurate with your position and you will report to the Employer’s Chief Executive Officer. Your employment with the Employer under this Letter Agreement commenced on **November 8, 2024** (which date, for purposes of this Letter Agreement, will be hereafter referred to as the “**Effective Date**”). To the extent not defined herein, Exhibit A to this Letter Agreement sets forth the applicable definitions of capitalized terms in this Letter Agreement.
 - (b) You will be a home-based employee; however, it is expected that you may be required to travel from time to time for business reasons to other locations.
 - (c) By signing this Letter Agreement, you represent and warrant to the Employer, as of the Effective Date, that:
 - (i) you are not under, subject to or otherwise obligated by any contractual commitments (including, without limitation, any non-competition, non-solicitation, proprietary information and inventions, members’, shareholders’, investors’ or similar agreements) that will be inconsistent with your obligations the Employer or any of its affiliates, or that would be breached by or would prevent or interfere with your execution of this Letter Agreement or your obligations under this Letter Agreement to the Employer; and
 - (ii) you have no holdings in the capital stock or equity interests of any company (other than holdings of less than one percent (1%) of the outstanding capital stock of a publicly traded corporation) that is in competition with any line of business conducted by the Employer or any of its affiliates.
2. *Salary.* You will be paid a salary at the annual calendar year rate of **\$450,000.00 USD** (the “**Base Salary**”), payable bi-weekly in accordance with the Employer’s standard payroll practices for salaried employees. The Base Salary will begin to accrue on and from the Effective Date and will be subject to annual review and adjustment pursuant to the Employer’s employee compensation policies in effect from time to time.
3. *Short-Term Incentive.* First Advantage has adopted a discretionary management financial incentive plan, under which you are eligible to participate with a target award of **50%** of your Base Salary (the “**Performance Bonus**”). Annual performance bonus opportunities are in the sole discretion of the Company. If payable, the Performance Bonus for each year will be paid following the completion of the Company’s annual financial audit for the applicable fiscal year, typically completed prior to the first quarter of the following year. Payment for the previous year is subject to your continued employment through the payment date.
-

4. *Other Benefits.* During your employment with the Employer, you will be eligible to participate in the Employer's benefit plans made available to executive officers of the Employer, including, but not limited to, any group health insurance plan, dental insurance plan, life insurance plan, long and short-term disability insurance plans, in accordance with standard terms and conditions of these plans. Such plans are subject to change or termination from time to time at the discretion of the Employer.
5. *Equity Compensation.* You will be eligible to participate in the Company's long-term incentive equity grant program as the Board determines in its discretion, in accordance with Company practices, and commensurate with your role from time to time.
6. *General Expense Reimbursement.* During your employment and subject to the terms of the Employer's expense reimbursement policies, the Employer will reimburse you for all reasonable business-related expenses that you incur on the Employer's behalf, including, but not limited to, expenditures that you make in connection with travel, entertainment, and miscellaneous expenses. To obtain such reimbursement, you must timely submit reasonable documentation of such expenses in accordance with the standard policies and procedures established by the Employer as in effect from time to time.
7. *Period of Employment.*
 - (a) Your employment with the Employer will be "at will", meaning that either you or the Employer will be entitled to terminate your employment at any time and for any reason, with or without Cause or Good Reason. Although, subject to the terms of this Letter Agreement, your job duties, title, compensation and benefits, as well as the Employer's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Employer.
 - (b) Subject to and notwithstanding the other provisions of this Letter Agreement, if your employment with the Employer is terminated, your benefits under this Letter Agreement in the event of any such termination will be as set forth in this Paragraph 7(b).
 - (i) *In General.* Upon termination of employment for any reason, you will be entitled to receive your Base Salary through the date on which your employment terminates (the "**Date of Termination**"), unpaid expense reimbursements eligible for reimbursement pursuant to Paragraph 6 hereof, and other amounts due to you pursuant to applicable law and the plans, policies, and practices of the Employer (the "**Accrued Obligations**").
 - (ii) *Additional Payments Upon Termination Without Cause or Voluntarily for Good Reason.* If your employment is terminated by the Employer without Cause or in the event that you voluntarily terminate your employment with the Employer with "Good Reason" and subject to the conditions set forth in Paragraph 7(c) and 7(d), you also will be entitled to (i) continued payment of your Base Salary (the "**Severance Payments**") for a period of twenty-six (26) weeks (the "**Severance Period**") following the expiration of the Revocation Period (as defined below), in accordance with the Employer's standard payroll practices, and (ii) payment representing the continuation of healthcare benefits for six (6) months following your termination of employment, if and to the extent such coverage would not subject the Company or any of its affiliates or subsidiaries to any tax or penalty under the Patient Protection and Affordable Care Act or other applicable law; provided that such healthcare benefits shall cease when you become eligible to obtain healthcare benefits through new employment or otherwise.

- (c) *Release of Claims.* Notwithstanding anything in this Letter Agreement to the contrary, you (or your estate or representative, as applicable) will be obligated to execute, within thirty days (30) following your Date of Termination (the “**Consideration Period**”) a General Release of claims in favor of the Employer, substantially in the form attached hereto as Exhibit B, which release shall have become effective and irrevocable in its entirety, as a condition to receiving any benefits and payments under this Paragraph 7 (other than payment of the Accrued Obligations). Your failure or refusal to sign the General Release (or your revocation of such release in accordance with applicable law) will result in the forfeiture of the payments and benefits under this Paragraph 7 and the repayment of any amounts already paid to you (other than the Accrued Obligations). You will receive these Severance Payments on the regular bi-weekly payroll schedule for the duration of the Severance Period, beginning on the next feasible pay day after the end of the Revocation Period. You will have up to seven (7) days after signing the General Release to revoke it (the “**Revocation Period**”). Your revocation shall be effective only upon actual, timely receipt by the Company of a written, signed notice of revocation to the Company no later than 5:00 PM Eastern Standard Time on the seventh (7th) day after you have signed the General Release. Should you choose to revoke the General Release, the Company shall have no obligation to pay you the payments and benefits per Paragraph 7(b)(ii) above. The General Release is not effective or enforceable until the Revocation Period expires.
- (d) *Compliance with Obligations.* If, following a termination of employment you breach, in any material respect, any provision of Paragraphs 8 and 9 of this Letter Agreement, or any other agreement between you and the Employer or any of their affiliates, including any provision of the Confidential Information and Inventions Assignment Agreement attached hereto as Exhibit C (the “**Confidentiality Agreement**”), without limiting any other remedies that such parties may have, you will not be eligible, as of the date of such breach, for any of the payments and benefits described under this Paragraph 7 (other than the Accrued Obligations) and any and all obligations and agreements of the Employer with respect to such payments shall thereupon cease.
- (e) *Effect of Termination.* The termination of your employment for any reason will constitute your resignation from (i) any director, officer or employee position you have with the Employer or any affiliate thereof, and (ii) all fiduciary positions (including as a trustee) you hold with respect to any employee benefit plans or trusts established by the Employer or any of its affiliates. You hereby agree that this Letter Agreement will serve as written notice of resignation in this circumstance, and you agree to execute any resignation letter consistent with the foregoing that the Employer reasonably requests.

8. *Outside Activities.*

- (a) *Exclusive Services.* During your employment with the Employer, you will not engage in any other gainful employment, business, or activity without the written consent of the Employer. The Employer reserves the right to require you to resign from any board or similar body on which you may serve if it determines in good faith that your service on such board interferes with the effective discharge of your duties and responsibilities to the Employer or any of its affiliates. In addition, you will not own, directly or indirectly, any capital stock or equity interests of any company which is in competition with any line of business conducted by the Employer or any of its affiliates; provided, however, that you may passively own, directly or indirectly, up to one percent (1%) of the outstanding capital stock of any publicly traded corporation.

- (b) *Non-Disparagement.* While employed by the Employer and thereafter, you will not knowingly disparage, criticize, or otherwise make any derogatory statements regarding the Employer, or any of its affiliates, or any of their respective directors or officers. The members of the Company's Board of Directors will not knowingly disparage, criticize, or otherwise make any derogatory statements regarding you. Notwithstanding the foregoing, nothing contained in this Letter Agreement will be deemed to restrict any individual or entity from providing truthful information to any governmental or regulatory agency (or in any way limit the content of any such information) to the extent they are requested or required to provide such information pursuant to applicable law or regulation.
 - (c) *Trade Secrets.* In the course of your employment with the Employer, you have become, and will continue to become, familiar with the trade secrets of the Employer and its affiliates (collectively, the "**Company Group**") and with other confidential information concerning the business of the Company Group. Because of the foregoing and in further consideration of the compensation and other benefits to be provided to you under this Letter Agreement, you will not during your employment with the Employer, and continuing thereafter, directly or indirectly use trade secrets (as such term is defined in Section 3426(1)(d) of the Uniform Trade Secrets Act) of the Company Group, confidential information or proprietary materials of the Company Group or otherwise engage in unfair competition against the Company Group.
 - (d) *Non-Solicitation.* While you are employed by the Employer or any of its affiliates and continuing for a period of 12 months thereafter, (the "**Restricted Period**"), you will not, directly or indirectly, (i) knowingly interfere with or attempt to interfere with the relationship between any person who is, or was during the then most recent six (6)-month period, an employee, officer, representative or agent of the Employer or any of its affiliates, or solicit, induce or attempt to solicit or induce any of them to leave the employ of the Employer or any of its affiliates, or violate the terms of its contracts, or any employment arrangements, with such entities; or (ii) induce or attempt to induce any customer, client, supplier, licensee or other person or entity, who I had material contact with during my Engagement, then having a business relationship with the Employer or any of its affiliates to cease doing business with the Employer or any of its affiliates, or in any way knowingly interfere with the relationship between the Employer or any of its affiliates and any customer, client, supplier, licensee or other business relationship. As used herein, the term "indirectly" will include, without limitation, the authorized use of your name by any competitor of the Employer or any of its affiliates to induce or interfere with any employee or business relationship of the Employer or any of its affiliates.
 - (e) *Non-Competition.* During the Restricted Period, you shall not, directly or indirectly, whether as principal, agent, partner, officer, director, stockholder, employee, consultant or otherwise, alone or in association with any other person or entity, own, manage, operate, control, participate in, invest in (other than an investment that results in you passively owning less than one-percent (1%) of the outstanding voting stock of a publicly traded company), or carry on a business that directly competes with the products and services currently offered by the Employer or any of its affiliates.
9. *Confidentiality.* Like all employees, you will be required, as a condition of your employment with the Employer, to sign the Confidentiality Agreement, which is the Employer's standard form of Confidential Information and Inventions Assignment Agreement. For all purposes of this Letter Agreement, the covenants contained in the Confidentiality Agreement are incorporated herein by reference as if such covenants were set forth herein in full.

10. *Material Inducement; Injunctive Relief.* You acknowledge and agree that the covenants entered into by you in Paragraphs 8 and 9 are essential elements of the parties' agreement as expressed in this Letter Agreement, are a material inducement for the Employer to enter into this Letter Agreement and the breach of any of those covenants would be a material breach of this Letter Agreement. You further acknowledge and agree that the Employer's remedies at law for a breach or threatened breach of any of the provisions of Paragraphs 8 and 9 would be inadequate. In recognition of this fact, you agree that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Employer will be entitled to obtain equitable relief in the form of a temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available, without bond or security, restraining you from engaging in the activities prohibited by Paragraphs 8 and 9 of this Letter Agreement, or such other relief as may be required specifically to enforce this Letter Agreement.
11. *Withholding.* All forms of compensation referred to in this Letter Agreement are subject to reduction to reflect applicable withholding and payroll taxes and any other legal deduction or withholding requirements.
12. *Section 409A of the Code.*
- (a) This Letter Agreement is intended to meet the requirements of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and will be interpreted and construed consistent with that intent. For purposes of this Letter Agreement, the terms "terminate," "terminated," and "termination" mean a termination of your employment that constitutes a "separation from service" within the meaning of the default rules of Section 409A of the Code.
 - (b) Notwithstanding any other provision of this Letter Agreement, to the extent that the right to any payment (including the provision of benefits) hereunder provides for the "deferral of compensation" within the meaning of Section 409A(d)(1) of the Code, the payment will be paid (or provided) in accordance with the following:
 - (i) If you are a "Specified Employee" within the meaning of Section 409A(a)(2)(B)(I) of the Code on the date of your termination of employment, then no such payment shall be made or commence during the period beginning on the date of termination and ending on the date that is six (6) months following the date of termination or, if earlier, on the date of your death. The amount of any payment that would otherwise be paid to you during this period will instead be paid on the fifteenth (15th) day of the first calendar month following the end of the period.
 - (ii) Payments with respect to reimbursements of expenses, business club memberships, financial planning expenses, relocation expenses or legal fees shall be made on or before the last day of the calendar year following the calendar year in which the relevant expense is incurred. The amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year.
13. *Entire Agreement.* This Letter Agreement and its exhibits, including the referrals herein to other documents, plans and agreements, contain all of the terms of your employment with the Employer and supersede, as of the Effective Date, any prior understandings or agreements, whether oral or written, between you and the Employer or its predecessors or affiliates.

14. *Source of Payments.* All payments provided under this Letter Agreement, other than payments made pursuant to a plan which provides otherwise, shall be paid in cash from the general funds of the Employer, and no special or separate fund shall be established, and no other segregation of assets shall be made to assure payment. You will have no right, title, or interest whatsoever in or to any investments the Employer may make to aid the Employer in meeting its obligations hereunder. To the extent that any person acquires a right to receive payments from the Employer hereunder, such right shall be no greater than the right of an unsecured creditor of the Employer.
15. *Severability.* The illegality, invalidity, or unenforceability of any provision of this Letter Agreement under the law of any jurisdiction shall not affect its legality, validity, or enforceability under the law of any other jurisdiction, nor the legality, validity, or enforceability of any other provision. In addition to, and consistent with the foregoing, although the covenants in Paragraphs 8 and 9 of this Letter Agreement are considered by the Employer and you to be reasonable in all the circumstances, if one or more of such covenants should be held invalid as an unreasonable restraint of trade or for any other reason whatsoever, but would have been held valid if part of the wording thereof had been deleted or the period thereof reduced or the range of activities or area dealt with thereby reduced in scope, then such covenants shall apply with such modifications as may be necessary to make them valid and effective.
16. *Nonassignability; Binding Agreement.* Your rights, duties, obligations or interests under this Letter Agreement will not be assignable or delegable by you, and all of the rights and obligations of the Employer hereunder will not be assignable by the Employer except as incident to a change of control, reorganization, merger or consolidation of the Employer, or any other transfer of all or substantially all of the Employer's assets.
17. *Amendment, Governing Law, and Venue.* This Letter Agreement may not be amended or modified except by an express written agreement signed by you and a duly authorized officer of the Employer. The terms of this Letter Agreement and the resolution of any disputes will be governed by the law of the State of Georgia, without giving effect to the principles of conflict of laws, and shall be filed in a court sitting in Atlanta, Georgia.
18. *Arbitration.* You and the Employer agree that to the extent permitted by law, any dispute or controversy arising out of, relating to, or in connection with this Letter Agreement, or the interpretation, validity, construction, performance, breach, or termination thereof, of your employment by the Employer or any termination thereof, will be settled by arbitration to be held at a location in Atlanta, Georgia in accordance with the National Rules for the Resolution of Employment Disputes then in effect of the American Arbitration Association. The arbitrator may grant injunctions or other relief in such dispute or controversy. The decision of the arbitrator will be final, conclusive, and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The Employer and you each will separately pay its costs and expenses of the arbitration, unless the arbitrator determines otherwise in accordance with applicable law.



We hope that you find the foregoing terms acceptable. You may indicate your agreement with these terms and accept this offer by signing and dating the enclosed duplicate original of this Letter Agreement and the enclosed Confidentiality Agreement, and returning them to me upon completion. As required by law, your employment with the Employer is also contingent upon your providing legal proof of your identity and authorization to work in the United States.

We look forward to your continued success with the Company.

Very truly yours,

FIRST ADVANTAGE CORPORATION

By: /s/ Bret Jardine
Name: Bret Jardine
Title: Chief Legal Officer

I have read and accept this employment offer:

/s/ Steven Marks
Steven Marks

Dated: August 6, 2025

Exhibit A**Definitions**

For purposes of the Letter Agreement, the terms set forth below will have the meanings set forth herein.

“**Cause**” means:

(a) any failure or refusal to substantially perform your material duties (other than as a result of total or partial incapacity due to physical or mental illness), after giving effect to a cure period of ten (10) days following written notice by Employer to you of such failure, to the extent such failure or refusal is susceptible of cure;

(b) dishonesty in the performance of your duties that has a material adverse effect on the operations, financial performance, business reputation or business relationships of the Employer, or any of its affiliates;

(c) your conviction of, or plea of guilty or *nolo contendere* to, (x) any felony, or (y) any crime involving moral turpitude;

(d) your willful malfeasance or willful misconduct in connection with your duties or any act or negligent omission that is injurious to the operations, financial condition, business reputation or business relationships of the Employer, or any of its affiliates;

(e) your breach of any material written company policy that is injurious to the operations, financial condition, business reputation or business relationships of the Employer, or any of its affiliates;

(f) any material misrepresentation or significant breach of any of the terms of this Letter Agreement or any other agreement between you and the Employer or any of its affiliates, or any significant failure to carry out your obligations under this Letter Agreement or any other agreement between you, the Employer or any of its affiliates; or

(g) any judgment made by a court of competent jurisdiction or any binding arbitration award made by an arbitral body against you or the Employer that has the effect of materially diminishing your ability or willingness to perform the duties of your position as specified in Paragraph 1 of the Letter Agreement or the ability or willingness of the Employer to accept your 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).

“**Good Reason**” means the occurrence of any of the following without your prior written consent:

(a) a material diminution in your base compensation (other than across-the-board reductions similarly affecting other comparable employees of the Employer and its subsidiaries);

(b) a material diminution in your authority, duties, or responsibilities, provided that your continuing in the same role on a divisional or business unit basis, following a direct or indirect change of control of the Employer, shall not be Good Reason; or

(c) any other action or inaction that constitutes a material breach of the Letter Agreement by the Employer;

provided, however, that you may not resign from your employment for Good Reason unless: (x) you provided the Employer with at least thirty (30) days prior written notice of your intent to resign for Good Reason (which notice must be provided within sixty (60) days following the occurrence of the event(s) purported to constitute Good Reason); and (y) the Employer has not remedied the alleged violation(s) within the thirty (30) day period.

Exhibit B

Form of: Release of Claims

This General Release (“General Release”) of all Claims (this “Agreement”) is entered into by Steven Marks (the “Executive”) and First Advantage Corporation (the “Employer”), effective as of _____.

In consideration of the promises set forth in the letter agreement between the Executive and the Employer, dated (the “Employment Agreement”), the Executive and the Employer agree as follows:

1. Return of Property. All files, access keys and codes, desk keys, ID badges, computers, records, manuals, electronic devices, computer programs, papers, electronically stored information or documents, telephones and credit cards, and any other property of the Employer in the Executive’s possession must be returned no later than the date of the Executive’s termination from the Employer.

2. General Release and Waiver of Claims.

(a) Release. In consideration of the payments and benefits provided to the Executive under the Employment Agreement and after consultation with counsel, the Executive and each of the Executive’s respective heirs, executors, administrators, representatives, agents, insurers, successors and assigns (collectively, the “Releasors”) hereby irrevocably and unconditionally release and forever discharge the Employer, its subsidiaries and affiliates and each of their respective officers, employees, directors, members, shareholders, parents and agents (“Releasees”) from any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character (collectively, “Claims”), including, without limitation, any Claims under any federal, state, local or foreign law, that the Releasors may have, or in the future may possess, whether known or unknown, arising out of (i) the Executive’s employment relationship with and service as an employee, officer or director of the Employer or any subsidiaries or affiliated companies and the termination of such relationship or service, and (ii) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that the Executive does not release, discharge or waive any rights to (i) payments and benefits provided under the Employment Agreement that are contingent upon the execution by the Executive of this Agreement, and (ii) any indemnification rights the Executive may have in accordance with the Employer’s governance instruments or under any director and officer liability insurance maintained by the Employer with respect to liabilities arising as a result of the Executive’s service as an officer and employee of the Employer. This Section 2(a) does not apply to any Claims that the Releasors may have as of the date the Executive signs this Agreement arising under the Federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder (“ADEA”). Claims arising under ADEA are addressed in Section 2(b) of this Agreement.



(b) Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Executive under the Employment Agreement, the Releasers hereby unconditionally release and forever discharge the Releasees from any and all Claims arising under ADEA that the Releasers may have as of the date the Executive signs this Agreement. By signing this Agreement, the Executive hereby acknowledges and confirms the following: (i) the Executive was advised by the Employer in connection with his termination to consult with an attorney of his choice prior to signing this Agreement and to have such attorney explain to the Executive the terms of this Agreement, including, without limitation, the terms relating to the Executive's release of claims arising under ADEA, and the Executive has in fact consulted with an attorney; (ii) the Executive was given a period of not fewer than 21 days to consider the terms of this Agreement and to consult with an attorney of his choosing with respect thereto; (iii) the Executive knowingly and voluntarily accepts the terms of this Agreement; and (iv) the Executive is providing this release and discharge only in exchange for consideration in addition to anything of value to which the Executive is already entitled. The Executive also understands that he has seven days following the date on which he signs this Agreement within which to revoke the release contained in this paragraph, by providing the Employer with a written notice of his revocation of the release and waiver contained in this paragraph.

(c) No Assignment. The Executive represents and warrants that he has not assigned any of the Claims being released under this Agreement. The Employer may assign this Agreement, in whole or in part, to any affiliated company or subsidiary of, or any successor in interest to, the Employer.

3. Proceedings.

(a) General Agreement Relating to Proceedings. The Executive has not filed, and except as provided in Sections 3(b) and 3(c), the Executive agrees not to initiate or cause to be initiated on his behalf, any complaint, charge, claim or proceeding against the Releasees before any local, state or federal agency, court or other body relating to his employment or the termination of his employment, other than with respect to the obligations of the Employer to the Executive under the Employment Agreement or any indemnification rights the Executive may have in accordance with the Employer's governance instruments or under any director and officer liability insurance maintained by the Employer (each, individually, a "Proceeding"), and agrees not to participate voluntarily in any Proceeding. The Executive waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding.

(b) Proceedings Under ADEA. Section 3(a) shall not preclude the Executive from filing any complaint, charge, claim or proceeding challenging the validity of the Executive's waiver of Claims arising under ADEA (which is set forth in Section 2(b) of this Agreement). However, both the Executive and the Employer confirm their belief that the Executive's waiver of claims under ADEA is valid and enforceable, and that their intention is that all claims under ADEA will be waived.

(c) Certain Administrative Proceedings. In addition, Section 3(a) shall not preclude the Executive from filing a charge with or participating in any administrative investigation or proceeding by the Equal Employment Opportunity Commission or another Fair Employment Practices agency. The Executive is, however, waiving his right to recover money in connection with any such charge or investigation. The Executive is also waiving his right to recover money in connection with a charge filed by any other entity or individual, or by any federal, state or local agency.



4. Remedies. In the event that (i) the Executive initiates or voluntarily participates in any Proceeding in violation of this Agreement, or (ii) he fails to abide by any of the terms of this Agreement or his post-termination obligations contained in the Employment Agreement, or (iii) he revokes the ADEA release contained in Section 2(b) within the seven-day period provided under Section 2(b), the Employer may, in addition to any other remedies it may have, reclaim any amounts paid to him under the termination provisions of the Employment Agreement or terminate any benefits or payments that are subsequently due under the Employment Agreement; any such reclamation or termination by the Employer in accordance with this Section 4 shall not operate as a waiver of the release granted herein in the circumstances described in the foregoing clauses (i) and (ii). The Executive acknowledges and agrees that the remedy at law available to the Employer for breach of any of his post-termination obligations under the Employment Agreement or his obligations under Sections 2 and 3 herein would be inadequate and that damages flowing from such a breach may not readily be susceptible to measurement in monetary terms. Accordingly, the Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Employer may have at law or in equity or as may otherwise be set forth in the Employment Agreement, the Employer shall be entitled to seek a temporary restraining order or a preliminary or permanent injunction, or both, without bond or other security, restraining the Executive from breaching his post-termination obligations under the Employment Agreement or his obligations under Sections 2 and 3 herein. Such injunctive relief in any court shall be available to the Employer, in lieu of, or prior to, or pending determination in, any arbitration proceeding.

The Executive understands that by entering into this Agreement he shall be limiting the availability of certain remedies that he may have against the Employer and also limiting his ability to pursue certain claims against the Employer.

5. Severability Clause. In the event that any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, shall be inoperative.

6. Nonadmission. Nothing contained in this Agreement shall be deemed or construed as an admission of wrongdoing or liability on the part of the Employer.

7. Governing Law and Forum. This Agreement and all matters or issues arising out of or relating to your employment with the Employer shall be governed by the laws of the State of Georgia applicable to contracts entered into and performed entirely therein. Any action to enforce this Agreement shall be brought solely in the state or federal courts located in Atlanta, Georgia.

8. Notices. Notices under this Agreement must be given in writing, by personal delivery, regular mail or receipted email, at the parties' respective addresses shown on this Agreement (or any other address designated in writing by either party), with a copy, in the case of the Employer, to the attention of the Employer's General Counsel. Any notice given by regular mail shall be deemed to have been given three days following such mailing.



THE EXECUTIVE ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT AND THAT HE FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT HE HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE AGREEMENTS PROVIDED FOR HEREIN VOLUNTARILY AND OF HIS OWN FREE WILL.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

FIRST ADVANTAGE CORPORATION

By: _____

Steven Marks

Dated: _____



Exhibit C

FIRST ADVANTAGE CORPORATION CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

Instructions

Please take the time to review your Confidential Information and Inventions Agreement (the “**Agreement**”) with First Advantage Corporation. It contains material restrictions on your right to disclose or use, during or after your service with the Company, certain information and technology learned or developed by you (either alone or jointly with others) during your service with the Company. The Company considers this Agreement to be very important to the protection of its business.

If you have any questions concerning the Agreement, you may wish to consult an attorney. Managers, legal counsel and others in the Company are not authorized to give you legal advice concerning the Agreement.

In consideration of my Engagement (as defined below in Paragraph 1) with **First Advantage Corporation**, a Delaware Corporation, and/or its subsidiaries, parents, holding companies, related companies, and affiliates (collectively referred to as “**First Advantage**” or the “**Company**”), and other valuable consideration, including but not limited to training and the receipt of confidential information, I agree as follows:

- 1. Engagement.** For purposes of this Confidential Information and Inventions Agreement (this “**Agreement**”), my “**Engagement**” means my initial and/or continuing engagement as an employee, director or officer of the Company.
- 2. Confidential Information.** For purposes of this Agreement, “**Confidential Information**” means any and all information, ideas and materials, in whatever form, tangible or intangible, pertaining in any manner to the business of or used by the Company (including, without limitation, any person or entity owned by, controlled by or affiliated with the Company) or to any other person or entity to whom or to which the Company owes a duty of confidentiality. Confidential Information includes, but is not limited to, any trade secret, data, know-how, knowledge, idea, information and materials relating to the past, present, planned or foreseeable business, products, services, developments, technology or activities of the Company. The following list is intended as a list of examples of Confidential Information only and not an exhaustive list: (1) any information or data regarding real estate, property or related subjects that the Company has developed, compiled, researched, organized, purchased or has plans to market and/or sell; (2) any work of authorship, invention, improvement or discovery; (3) any patent disclosure or patent application; (4) any composition, design, formula, method, technique, process, program, specification or system; (5) any financial or investor information; (6) any personal or personnel information, and other terms of employment of the Company’s employees, officers and directors (except my own); (7) any names, personally identifiable information, history, preferences and practices of any customers or potential customers, licensors, licensees, vendors, suppliers, distributors, candidates, consumers, other natural persons, or partners; (8) any costs or prices at which the Company obtains or has obtained, or at which it sells or has sold, its proprietary information and data products or services; (9) any plans for research, development, property data compilation, marketing and sales; (10) any tangible or electronic document, log, record, file, book, notebook, paper, photograph, printout,



drawing, diagram, flow-chart, sketch or other visual representation embodying, reflecting, summarizing, compiling, representing or containing any of the foregoing; and (11) any other information that is not known to the public. Confidential Information does not include any information, idea or material (i) that is disclosed to me without confidential or proprietary restriction by a third party who rightfully possesses the information, ideas or materials (without confidential or proprietary restriction), (ii) that was rightfully in my possession or part of my general knowledge prior to or independent of my Engagement, or (iii) that is or becomes publicly known or is legitimately in the public domain through lawful means and without breach of this Agreement by me or others.

3. **Marking.** Confidential Information may be stamped or otherwise marked “Confidential,” “Proprietary,” or with some similar designation, but if any information or material is not so marked and it meets the definition in the foregoing Paragraph 2, it is still Confidential Information. If I am uncertain as to whether particular information or materials are Confidential Information, I will request the Company’s written opinion as to their status.
4. **Restrictions on Access, Use and Disclosure.** I understand and agree that I must safeguard and maintain the confidentiality, integrity and availability of all Confidential Information at all times. I will not, during or at any time after the cessation of my Engagement with the Company for whatever reason, access, use, reproduce, or disclose any Confidential Information, except (a) in the course of performing my duties as an employee, director or officer of the Company, or (b) with the prior written consent of the Company. I will access, use, reproduce and/or disclose only the minimum Confidential Information necessary to perform my assigned duties. I also will use my best efforts to prevent the unauthorized access, reproduction, disclosure, misappropriation or use of Confidential Information by others.

Nothing in this Agreement shall prohibit or impede me from communicating, cooperating or filing a complaint with any federal, state or local governmental or law enforcement branch, agency or entity (collectively, a “Governmental Entity”) with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation; provided that in each case such communications and disclosures are consistent with applicable law. I understand and acknowledge that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. I understand and acknowledge further that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Furthermore, I understand that the Company will not limit my right to receive an award for providing information pursuant to the whistleblower provisions of any applicable law or regulation to any Governmental Entity. Notwithstanding the foregoing, under no circumstances will I be authorized to disclose any information covered by attorney-client privilege or attorney work product of any member of the Company and its subsidiaries without prior written consent of the Company’s Chief Legal Officer or other individual designated by the Company.



5. **Transmission or Transfer of Confidential Information.** I will not download or save any Confidential Information to any personal removable storage device (including but not limited to external hard drives, USB memory devices, PDAs or iPods, etc.) or transmit or transfer (via electronic mail or otherwise) Confidential Information off-site or to any non-Company computer system, email addresses, data storage location, or entity. Any Confidential Information transmitted or transferred shall be on Company-issued removable storage devices only and shall remain Company property at all times.
6. **Generative Artificial Intelligence.** To the extent I am permitted to utilize generative artificial intelligence (“AI”), including, but not limited to, ChatGPT, under my employment with the Company, I will exercise caution and ensure that no Confidential Information is released or disclosed in any manner. Along those lines, I will further exercise caution and ensure that no Confidential Information is used, typed or inserted in any AI queries, conversations or inputs. I will also exercise caution and ensure that my use of AI does not result in content or any other output that could infringe on the intellectual property rights or any other rights of any third party. To the extent I utilize AI in my work product for the Company that may be shown or used externally outside of the Company, I will notify my supervisor or other such appropriate Company personnel so that any risks or issues in utilizing the work product can be evaluated.
7. **Procedure for Obtaining Authorization for Information Disclosure.** I understand that from time to time, the Company may issue written instructions explaining how personnel may obtain authorization for the disclosure of Confidential Information outside of the Company. I will familiarize myself with these instructions promptly when they are issued or revised and agree to follow them.
8. **Company-Owned Materials.** I also acknowledge that all information generated, received or maintained by or for me on the premises or equipment of the Company (including, without limitation, telephone or computer systems, mobile devices and electronic or email or voice mail systems) is the sole property of the Company, and I hereby waive any property rights I may have with respect to such information. I further acknowledge and agree that I have no expectation of privacy related to such information or related to my use of the Company’s telephone or computer systems (including, but not limited to, stored information and data, e-mail messages, texts, applications and voicemails) and that my use of, as well as any files or messages on the Company’s telephone, computer systems or applications may be monitored or reviewed at any time without notice, regardless of the Company’s past practice or frequency of monitoring. Upon cessation of my Engagement for whatever reason, or at any other time at the Company’s request, I will immediately return and deliver to the Company all the Company’s equipment and all copies of any tangible or electronic records or files of any work product, e-mails, email attachments, contacts, calendars, call logs, voicemails, documents, presentations, programs, correspondence, notes, drawings, memoranda, manuals, lists, data, notebooks, and other information in my possession or under my control, whether prepared by me or by others, that contain, constitute or relate in any way to Confidential Information. Further, to the extent that I used my own personal computers, cell phones, personal data assistants, thumb drives or other electronic memory or storage devices to access, store or transmit the Confidential Information, immediately upon termination of my employment with the Company, and any other time the Company requests, I shall delete all Confidential Information from my property and provide written verifications of such deletions upon request.



9. **Security of Computer Equipment and Confidential Information.** I will use my best efforts to maintain the integrity and security of the Company's computer systems. I further agree to: (a) not access any of the Company's systems without prior authorization; (b) not obtain other user's login names and/or passwords (including coworkers or others); (c) not provide my user login name and password to others; (d) not attempt to breach or defeat computer, application, or network security measures; (e) not intercept, access, or monitor electronic files or communications of other users or third parties without approval from such users or third parties; physically protect and secure any mobile devices used for company business when outside of Company offices; and (f) lock or shutdown my computer whenever it is left unattended.
10. **Assignments.** I hereby assign, and agree to assign to the Company, without additional compensation, my entire right, title and interest in and to all Creations. "Creations" means inventions, works of authorship, ideas, processes, technology, formulas, software programs, writings, designs, discoveries, modifications and improvements, whether or not patentable or reduced to practice and whether or not copyrightable, that relate in any manner to the actual or demonstrably anticipated business or research and development of the Company or its affiliates, and that are made, conceived or developed by me (either alone or jointly with others), or result from or are suggested by any work performed by me (either alone or jointly with others) for or on behalf of the Company or its affiliates, (i) during the period of my Engagement with the Company, whether or not made, conceived or developed during regular business hours, or (ii) after termination of my Engagement if based on Confidential Information. All such Creations are the sole property of the Company or any other entity designated by it, and, to the maximum extent permitted by applicable law, any copyrightable Creation is created within the scope of my employment and is a work made for hire. To the extent any of the Creations are not a work made for hire, as stated above, I agree to assign and do assign to Company all rights in such Creations.
11. **Disclosures.** I will disclose promptly and fully in writing to the Company's Chief Executive Officer, General Counsel, or their designees, and will hold in confidence for the sole right, benefit and use of Company, any and all Creations created during my Engagement or within one year after the cessation of my Engagement to allow the Company to determine if additional actions are necessary to perfect the Company's right, title and interest in such Creation. In addition, I will keep and maintain adequate and current written records on the development of all Creations made, conceived or developed by me (either alone or jointly with others) during my period of Engagement or during the one-year period following cessation of my Engagement, which records will be available to and remain the sole property of the Company at all times.
12. **Execution of Documents.** I will, at the Company's request, promptly execute a written assignment of inventions, copyright and title for any Creation. I further agree to perform, during and after my Engagement, all acts deemed necessary or desirable by the Company to permit and assist it, at its expense, in obtaining and enforcing the full benefits, enjoyment, rights and title throughout the world in the Creations. Such acts may include, but are not limited to, the execution of documents and assistance or cooperation in legal proceedings. I also hereby irrevocably appoint the Company and any of its officers as my agent and attorney-in-fact to undertake such acts in my name.
13. **Prior Creations.** All inventions, works of authorship, ideas, processes, technology, formulas, software programs, writings, designs, discoveries, modifications, improvements or other creations, if any, that I made, conceived or developed (either alone or jointly with others) prior to my Engagement (collectively, "Prior Creations") are excluded from the scope of this Agreement. Set forth on Exhibit A is a complete list of all Prior Creations. I will notify the Company in writing if I believe the Company needs rights to use any Prior Creation.



- 14. Confidential Information of Others.** I will not disclose to the Company any confidential, proprietary or trade secret information or material belonging to others which has previously or will come into my knowledge or possession, nor will I use any such information or material in the course of my Engagement. Except as disclosed on Exhibit A, I have no other agreements or relationships with or commitments to any other person or entity that conflict with my obligations to the Company. I will also comply with all the Company's confidentiality agreements of which I am aware with other persons or entities. I understand that the Company has no interest in using any other person's patents, copyrights, trade secrets, or trademarks in an unlawful manner.
- 15. Conflicting Employment.** During my Engagement, I will not engage in any business activities that are competitive with the Company or otherwise in conflict with my duties on behalf of the Company, unless the Company has given its consent in writing. These obligations include after hours, on weekends, and during vacation time, even if only organizational assistance or limited consultation is involved, whether or not I receive compensation from the competing or conflicting entity or person. It would be unfair for an employee of the Company to be recruiting personnel from the ranks of the Company's employees while still engaged and being paid by the Company. The time, effort, and capital invested by the Company in its workforce should not be diverted by someone operating on an inside track. In addition, it would be an unfair business practice for individuals still engaged by the Company to be involved in preparation or activities to form and pursue a competitive business while receiving wages and other benefits from the Company.
- 16. Conduct.** I will at all times comply with the highest standards of business conduct and ethics and with all applicable laws, rules and regulations. During my Engagement, if I have any knowledge that this Agreement has been breached by any employee of the Company or that any unethical or illegal business practice may be occurring, I will notify the Company immediately. This obligation is intentionally broad and general because it is difficult to anticipate all possible circumstances. I agree to resolve all doubts by reporting to the Company the information that has come to my attention. By way of example, I agree to report the incident immediately if anyone who is, or within the most recent twelve (12) months has been, an employee, director or officer of the Company, directly or indirectly violates Paragraph 17 (Non-Solicitation) hereof. I agree to disclose this Agreement to all prospective employers, whether or not such prospective employer's business is competitive with, or related to, the business of the Company at any time. I hereby consent to and agree that the Company may disclose this Agreement to anyone, at any time, whether or not it has reason to believe that I have breached, or threatened to breach, any provision of this Agreement.
- 17. Non-Solicitation of Employees.** I acknowledge that the Company's relationships with its employees are valuable business assets. I will not, directly or indirectly, for myself or for any third party, during my Engagement and for twelve (12) months thereafter, recruit, solicit for hire, or divert from the Company any employee of the Company.
- 18. Non-Solicitation of Customers, Service Providers and Vendors.** I also acknowledge that the Company's relationships with its customers, service providers and vendors are valuable business assets, and that my Engagement may result in me being provided with Company trade secrets (as defined by the Uniform Trade Secrets Act and/or state laws) relating to such relationships. During my Engagement and at any time thereafter, I will not use any of the Company's trade secrets to solicit or encourage any customer, service provider or vendor to cease doing business with the Company and/or to commence doing business with any other person or entity.



- 19. Remedies.** Nothing in this Agreement is intended to limit any remedy of the Company under any applicable laws, and I understand that I could face possible civil actions resulting in substantial monetary liability if I misappropriate the Company's Confidential Information. In addition, I acknowledge that it may be extremely difficult to measure in money the damage to the Company of any failure by me to comply with this Agreement, that the restrictions and obligations under this Agreement are material, and that, in the event of any failure by me to comply with this Agreement, the Company could suffer irreparable harm and significant injury and may not have an adequate remedy at law or in damages. Therefore, if I breach any provision of this Agreement, the Company will be entitled to the issuance of an injunction or other restraining order or to the enforcement of other equitable remedies against me to compel performance of the terms of this Agreement without the necessity of showing or proving it has sustained any actual damage or posting any bond. This will be in addition to any other remedies available to the Company in law or equity. I agree that the duration of the provisions of this Agreement shall be extended by any period of time during which I am in breach of any provision(s) of this Agreement. My obligations in this Agreement are independent of any other obligation of the Company (including any promise or agreement contained in this Agreement or any other agreement between me and the Company or any obligation that otherwise arises from any aspect of the engagement). The existence of any claim or cause of action by me against the Company, whether predicated on this Agreement or any other basis, shall not constitute a defense to the enforcement of this Agreement.
- 20. General Provisions.** This Agreement constitutes the entire agreement between the Company and me relating to the same subject matter, replaces any existing agreement entered into by me and the Company relating to the same subject matter, and may not be changed or modified, in whole or in part, except by written supplemental agreement signed by me and the Company. A party's delay, failure or waiver of any right or remedy under this Agreement will not impair, preclude, cancel, waive or otherwise affect such right or remedy or any subsequent rights or remedies that may arise. This Agreement does not alter my at-will employment status; my employment is for an unspecified term and may be terminated by either the Company or me at will at any time, with or without cause or advanced notice. No subsequent change in my duties or compensation will modify the validity or scope of this Agreement. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will not fail on account thereof but will otherwise remain in full force and effect. If any obligation in this Agreement is held to be too broad to be enforced, the Company and I agree that it will be construed to be enforceable to the full extent permitted by law. The obligations of this Agreement will continue beyond the termination of my Engagement and will be binding upon my heirs, executors, assigns, administrators, legal representatives and other successors in interest. This Agreement will inure to the benefit of the Company, its successors, assigns and affiliates, and such successors and assignees are authorized to enforce all provisions herein. This Agreement will be governed by and construed in accordance with the laws of the state in which I am engaged, without giving effect to its conflict of law rule.



Exhibit 1

Excluded Creations; Prior Commitments

- 1. Excluded Creations.** Except as set forth below, there are no creations, inventions, works of authorship, ideas, processes, technology, formulas, software programs, writings, designs, discoveries, patents, copyrights, trademarks or trade secrets, or any claims, rights or modifications or improvements to the foregoing, that I have made, conceived, developed or first reduced to practice (either alone or jointly with others) prior to my Engagement, that are owned by me, alone or jointly with others, and which I desire to exclude from the operation of the Agreement. I represent and warrant that the following is a complete and current list of all Excluded Creations (if none, write "NONE"):

None

- 2. Prior Agreements/Commitments.** Except as set forth below, there are no agreements or relationships with or commitments to any other person or entity that conflict with my obligations as an employee, director or officer of the Company or under the Agreement. I represent and warrant that the following is a complete and current list of all such agreements, relationships or commitments (if none, write "NONE"):

None



APPENDIX A

These modifications shall apply if you are engaged in an identified state and are subject to its laws and shall continue to apply for as long as you are engaged in that state.

1. CALIFORNIA

- The provisions of Section 4 shall be rewritten as follows:

4. Restrictions on Access, Use and Disclosure. I understand and agree that I must safeguard and maintain the confidentiality, integrity and availability of all Confidential Information at all times. I will not, during or at any time after the cessation of my Engagement with the Company for whatever reason, use the Company's trade secrets to interfere with the relationship between the Company and a customer. I agree that it shall be considered a prohibited act of interference for me to use the Company's trade secrets to participate in soliciting, encouraging, or inducing a customer (a) to obtain a Competing Product or Service elsewhere, or (b) to stop or reduce doing business with the Company, except where such conduct is expressly authorized in writing by an authorized officer of the Company. The parties stipulate that this restriction is inherently limited to a reasonable geography or geographic substitute because it is limited to the place or location where the customer is located at the time.

Notwithstanding the foregoing, I understand and agree that I shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Confidential Information constituting a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if I should file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the trade secret to my attorney and use the trade secret information in the court proceeding, if I (A) file any document containing the trade secret under seal; and (B) do not disclose the trade secret, except pursuant to court order. I understand that nothing contained in this Agreement limits my ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). I understand that this Agreement does not limit my ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company.

- The provisions of Section 15 shall not apply.
- **California Labor Code Section 2870**
 - (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information, except for those inventions that either:
 - (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
 - (2) Result from any work performed by the employee for the employer.
 - (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.



2. GEORGIA

- “Confidential Information” shall be defined as data and information:
 - (A) Relating to the business of the Company, regardless of whether the data or information constitutes a trade secret as that term is defined under Georgia law;
 - (B) Disclosed to the employee or of which the employee became aware of as a consequence of the employee’s relationship with the employer;
 - (C) Having value to the employer;
 - (D) Not generally known to competitors of the employer; and
 - (E) Which includes trade secrets, methods of operation, names of customers, price lists, financial information and projections, route books, personnel data, and similar information;

provided, however, that such term shall not mean data or information (A) which has been voluntarily disclosed to the public by the employer, except where such public disclosure has been made by the employee without authorization from the employer; (B) which has been independently developed and disclosed by others; or (C) which has otherwise entered the public domain through lawful means.

- The provisions of Section 18 shall be rewritten as follows:

18. Non-Solicitation of Customers, Service Providers and Vendors. I

acknowledge that the Company’s relationships with its customers, service providers and vendors are valuable business assets, and that during my Engagement with the Company, I may be provided with Company’s Confidential Information or trade secrets (as defined by applicable law) relating to such relationships. Accordingly, and to the fullest extent permitted by law, I agree that I will not, directly or indirectly, for myself or for the benefit of any third party, during my Engagement and for twelve (12) months thereafter, use any of the Company’s Confidential Information or trade secrets to solicit or encourage any customer, service provider or vendor who I had material contact with during my Engagement to cease doing business with the Company, alter its business relationship with the Company, and/or commence doing business with any other person or entity.

3. ILLINOIS

- The introductory paragraph shall be rewritten as follows:

In consideration of my initial employment and professional and financial benefits with **First Advantage Corporation**, a Delaware Corporation, and/or its subsidiaries, parents, holding companies, related companies, and affiliates (collectively referred to as “**First Advantage**” or the “**Company**”), and other valuable consideration, including but not limited to training and the receipt of confidential information, I agree as follows:

- The provisions of Section 15 shall not apply to any employee unless the employee’s actual or expected annualized rate of earnings exceeds \$75,000 per year; and
- The provisions of Sections 15, 17 and 18 shall not apply to any employee unless the employee’s actual or expected annualized rate of earnings exceeds \$45,000 per year.

4. NORTH CAROLINA

- The introductory paragraph shall be rewritten as follows:



In consideration of my initial employment with **First Advantage Corporation**, a Delaware Corporation (referred to as “**First Advantage**” or the “**Company**”), and other valuable consideration, including but not limited to training and the receipt of confidential information, I agree as follows:

- The following language shall be REMOVED from Section 2:

(including, without limitation, any person or entity owned by, controlled by or affiliated with the Company)

5. PENNSYLVANIA

- The introductory paragraph shall be rewritten as follows:

In consideration of my initial employment with **First Advantage Corporation**, a Delaware Corporation, and/or its subsidiaries, parents, holding companies, related companies, and affiliates (collectively referred to as “**First Advantage**” or the “**Company**”), and other valuable consideration, including but not limited to training and the receipt of confidential information, I agree as follows:

6. TEXAS

- The introductory paragraph shall be rewritten as follows:

In consideration of my initial employment with **First Advantage Corporation**, a Delaware Corporation, and/or its subsidiaries, parents, holding companies, related companies, and affiliates (collectively referred to as “**First Advantage**” or the “**Company**”), and other valuable consideration, including but not limited to training and the receipt of confidential information, I agree as follows:





CONFIDENTIAL INFORMATION AND INVENTIONS AGREEMENT ACKNOWLEDGEMENT

I acknowledge that I have read and that I understand all the provisions of this agreement, a copy of which has been delivered to me. By signing below, I agree to be bound by all its terms.

/s/ Steven Marks
Signature

Steven Marks
Print

August 6, 2025
Date

HRSS@fadv.com
1 Concourse Parkway NE, Suite 200
Atlanta, GA 30328



August 6, 2025

Mr. Douglas Nairne
[Address]

Dear Doug,

This is the first amendment (the “**Supplementary Agreement**”) to the Employment Agreement executed on October 19, 2022, between you and First Advantage Limited (the “**Company**”) (the “**Original Employment Agreement**”), to amend your position, compensation details as outlined in Schedule 1 to the Original Employment Agreement, and the exchange rate that will be used to calculate your annual salary.

POSITION

Effective Date: November 1, 2024

Term: Defined in Paragraph 9 of the Original Employment Agreement

Position & New Title: Global Chief Operating Officer

SALARY

Your Base Salary is the Hong Kong dollar (“**HKD**”) equivalent of USD \$500,000.00 per annum, paid in 12 monthly installments of USD \$41,666.67. Salary reviews will be conducted periodically.

The Company will pay your salary and allowance in HKD based on the exchange rate of USD 1: HKD 7.776328788122785 (the rate on Nov 1, 2024, with the source of xe.com, which First Advantage Corporation (“**FA**”) adopts for accounting transactions). FA will monitor the exchange rate at each month end and, should the rate fall outside of -5% or +5% of the above rate, FA will review and revise the exchange rate for subsequent salary payments by an addendum in writing. Any other salary change will be based on your salary in USD.

ALLOWANCES

From the Effective Date, you will no longer receive the housing, car, or education allowances as part of your monthly payment.

PERFORMANCE BONUS

Provided that the performance goals and objectives set by the Company for the applicable fiscal year are achieved, you will be eligible to receive a bonus of up to sixty percent (60%) of your Base Salary (“**Performance Bonus**”), which will be paid to you following the end of the applicable fiscal year subject to your continued employment with the Company as of the date upon which the Company pays bonuses to its employees for such fiscal year. The Performance Bonus and any other bonuses paid to you under this agreement will be subject to the Company’s incentive plans terms and conditions in force at the time of payment.

RESTRICTIVE COVENANTS

(a) *Non-Solicitation.* Paragraph 14.3 of the Original Employment Agreement is amended to increase the non-solicitation period from six (6) months to twelve (12) months.

(b) *Non-Competition.* Paragraph 14.1 of the Original Employment Agreement is amended to increase the non-competition period from three (3) months to six (6) months.

HRSS@fadv.com
1 Concourse Parkway NE, Suite 200
Atlanta, GA 30328



TERMINATION

Paragraph 9 of the Original Employment Agreement is amended to include Paragraph 9.3:

9.3 (a) In General. Upon termination of employment for any reason, you will be entitled to receive your Base Salary through the Termination Date, unpaid expense reimbursements eligible for reimbursement pursuant to accounting policies, and other amounts due to you pursuant to applicable law and the plans, policies, and practices of the Company.

(b) Additional Payments. If your employment is terminated (i) by the Company for any reason (other than a reason for which Company is permitted to terminate without notice or payment in lieu pursuant to applicable law), or, (ii) due to your death or permanent disability that prevents you from working (if severance in such circumstances is required pursuant to applicable law), and subject to the conditions set forth in Paragraphs 12, 13 and 14, you also will be entitled to (i) continued payment of your Base Salary for a period of six (6) months following the expiration of any applicable revocation period under Hong Kong law, in accordance with the Company's standard payroll practices, and (ii) payment representing the cost of continuation of healthcare benefits for six (6) months following your termination of employment.

Except as otherwise modified herein, all other terms and conditions of your employment remain unchanged.

Yours sincerely,

/s/ Bret Jardine

Bret Jardine
Chief Legal Officer
First Advantage Limited

/s/ Beth Price

Beth Price
Chief People and Culture Officer
First Advantage Corporation

Acknowledgement:

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

/s/ Douglas Nairne

Douglas Nairne

August 6, 2025

Date

HRSS@fadv.com
1 Concourse Parkway NE, Suite 200
Atlanta, GA 30328



First Advantage Corporation
Non-Employee Director Compensation Policy

(As amended on August 6, 2025)

Purpose

The purpose of this Non-Employee Director Compensation Policy (this “**Policy**”) is to establish the cash and equity compensation for non-employee members of the Board of Directors (the “**Board**”) of First Advantage Corporation (the “**Company**”) in a manner that aligns their interests with those of the Company’s shareholders and is competitive with comparable companies.

The cash and equity compensation described in this Policy shall be paid or be made, as applicable, automatically and without further action of the Board, or any committee or subcommittee thereof, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company and who is also not employed by Silver Lake Partners or any of its respective affiliates (each, a “**Non-Employee Director**”) who may be eligible to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company.

Effective Date

This Policy shall supersede the Company’s existing policy on non-employee director compensation and become effective as of September 30, 2025 (the “**Effective Date**”), and shall remain in effect until it is revised or rescinded by further action of the Board.

Compensation

1. Cash Compensation.

a. Annual Retainers. Each Non-Employee Director shall receive an annual retainer of \$60,000 for service on the Board.

b. Additional Annual Retainers. In addition to the annual retainer in Section 1(a), each Non- Employee Director serving as a member or chair, as applicable, of the following committees of the Board shall receive an additional annual retainer for such service as follows:

Audit Committee Chair:	\$26,000
Audit Committee Member:	\$10,000
Compensation Committee Chair:	\$18,000
Compensation Committee Member:	\$7,500
Nominating and Corporate Governance Committee Chair:	\$12,000
Nominating and Corporate Governance Committee Member:	\$5,000

c. Payment of Retainers. The annual retainers described in Section 1(a) and Section 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a member of the Board does not serve as a Non-Employee Director, or in the applicable positions described in Section 1(b), for an entire calendar quarter, such Non-Employee Director shall receive a prorated portion of the retainer(s) otherwise payable to such Non-Employee Director for such calendar quarter pursuant to Section 1(a) and Section 1(b), as applicable, with such prorated portion determined by multiplying such otherwise payable retainer(s) by a fraction, the numerator of which is the number of days during which the member of the Board serves as a Non-Employee Director or in the applicable positions described in Section 1(b) during the applicable calendar quarter and the denominator of which is the number of days in the applicable calendar quarter.

d. Reimbursement of Expenses. The Company shall reimburse each member of the Board that is not an employee of the Company for all reasonable and documented travel and lodging expenses associated with attendance at Board and committee meetings.

2. Equity Compensation. Non-Employee Directors shall be granted the restricted stock unit awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the First Advantage 2021 Omnibus Incentive Plan or any other applicable Company equity incentive plan then maintained by the Company (such plan, as may be amended from time to time, the “**Plan**”) and shall be granted subject to the execution and delivery of applicable award agreement(s), including any exhibits attached thereto. All applicable terms of the Plan and any award agreement thereunder shall apply to this Policy as if fully set forth herein.

a. Annual Awards. Each Non-Employee Director who (i) serves on the Board as of the date of any annual meeting of the Company’s stockholders (an “**Annual Meeting**”) after the Effective Time and (ii) will continue to serve as a Non-Employee Director immediately following such Annual Meeting shall be automatically granted, on the date of such Annual Meeting, an equity award consisting of a number of restricted stock units (“**RSUs**”) calculated by dividing \$200,000 by the average closing price per share of Common Stock over the 20 trading days preceding such grant date, rounded up to the nearest whole share. The awards described in this Section 2(a) shall be referred to as the “**Annual Awards**.”

b. Initial Awards. Each Non-Employee Director who is initially elected or appointed to the Board after the Effective Date shall be automatically granted, on the effective date of such Non-Employee Director’s initial election or appointment (such Non-Employee Director’s “**Start Date**”), an equity award consisting of a number of RSUs calculated by dividing \$250,000 by the average closing price per share of Common Stock over the 20 trading days preceding such grant date, rounded up to the nearest whole share. The awards described in this Section 2(b) shall be referred to as “**Initial Awards**.” For the avoidance of doubt, no Non-Employee Director shall be granted more than one Initial Award.

c. Termination of Employment of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who, following the Effective Date, terminate their employment with the Company and any parent or subsidiary of the Company and remain on the Board will not receive an Initial Award pursuant to Section 2(b) above, but to the extent that they are otherwise eligible, will be eligible to receive, after termination from employment with the Company and any parent or subsidiary of the Company, Annual Awards as described in Section 2(a) above.

d. Vesting of Awards Granted to Non-Employee Directors. Subject to the Non-Employee Director continuing in service through each applicable vesting date:

(i) Annual Award. Each Annual Award shall vest on the first anniversary of the date of grant, or, if earlier, the date which is the business day immediately preceding the date of the next Annual Meeting following the date of the Annual Meeting on which such Annual Award is granted.

(ii) Initial Award. Each Initial Award shall vest as to one-third of such award on each of the first through third anniversaries of the date of grant.

(iii) Termination. No portion of an Annual Award or Initial Award that is unvested at the time of a Non-Employee Director's termination of service on the Board shall become vested thereafter.

(iv) Change in Control. All of the Annual Awards and Initial Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Plan), to the extent outstanding and unvested at such time.

Compensation Limits

Notwithstanding anything to the contrary in this Policy, all compensation payable under this Policy will be subject to any limits on the maximum amount of Non-Employee Director compensation set forth in the Plan, as in effect from time to time.

Modifications to the Policy

This Policy may be amended, modified or terminated at any time by action by the Board in its sole discretion. The terms and conditions of this Policy shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors and between any subsidiary of the Company and any of its non-employee directors. No Non-Employee Director shall have any rights hereunder, except with respect to equity awards granted pursuant to this Policy following grant thereof.

* * * * *

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

In connection with the Quarterly Report on Form 10-Q of First Advantage Corporation (the "Company") for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

Date: August 7, 2025

By: _____ /s/ Scott Staples
Scott Staples
Chief Executive Officer
(principal executive officer)

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

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

In connection with the Quarterly Report on Form 10-Q of First Advantage Corporation (the "Company") for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

Date: August 7, 2025

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

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