First Advantage

Q2 2021
Earnings Presentation

August 12, 2021

Disclaimer

FORWARD LOOKING STATEMENTS

This presentation 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,” “guidance,” 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 impact of COVID-19 and related risks on our results of operations, financial position, and/or liquidity; our operations in a highly regulated industry and the fact that we are subject to numerous and evolving laws and regulations, including with respect to personal data and data security; our reliance on third-party data providers; negative changes in external events beyond our control, including our customers’ onboarding volumes, economic drivers which are sensitive to macroeconomic cycles, and the COVID-19 pandemic; potential harm to our business, brand, and reputation as a result of security breaches, cyber-attacks, or the mishandling of personal data; the continued integration of our platforms and solutions with human resource providers such as applicant tracking systems and human capital management systems as well as our relationships with such human resource providers; disruptions, outages, or other errors with our technology and network infrastructure, including our data centers, servers, and third-party cloud and internet providers and our migration to the cloud; our ability to obtain, maintain, protect and enforce our intellectual property and other proprietary information; our substantial 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; and our Sponsor (Silver Lake Group, L.L.C., together with its affiliates, successors, and assignees) controls us and may have interests that conflict with ours or those of our stockholders.

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 prospectus, dated June 22, 2021, filed with the Securities and Exchange Commission (the “SEC”) pursuant to Rule 424(b)(4) of the Securities Act of 1933, 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 presentation are made only as of the date of this presentation, 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.

NON-GAAP FINANCIAL INFORMATION

This presentation contains “non-GAAP financial measures” that are financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with accounting principles generally accepted in the United States (“GAAP”). Specifically, we make use of the non-GAAP financial measures “Adjusted EBITDA,” “Adjusted EBITDA Margin,” “Adjusted Net Income,” and “Adjusted Diluted Earnings Per Share.”

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted Earnings Per Share have been presented in this presentation as supplemental measures of financial performance that are not required by or presented in accordance with GAAP because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core 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 other peer companies using similar measures. Management supplements GAAP results with non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone.

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted Earnings Per Share are not recognized terms under GAAP and should not be considered as an alternative to net income (loss) as a measure of financial performance or cash provided by (used in) operating activities as a measure of liquidity, or any other performance measure derived in accordance with GAAP. The presentations of these measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company.

We define Adjusted EBITDA as net income before interest, taxes, depreciation, and amortization, and as further adjusted for loss on extinguishment of debt, share-based compensation, transaction and acquisition-related charges, integration and restructuring charges, and other non-cash charges. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenues. We define Adjusted Net Income for a particular period as net income before taxes adjusted for debt-related costs, acquisition-related depreciation and amortization, share-based compensation, transaction and acquisition-related charges, integration and restructuring charges, and other 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. For reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures, see the reconciliations included at the end of this presentation.

Scott Staples

Chief Executive Officer

Company Overview, Q2 2021 Highlights

First Advantage

First Advantage – Successful IPO

FA | NASDAQ Ticker

6/23/21 | IPO Date

29.3M | Shares Offered

$15.00 | Offering Price

+31% | First Day Stock Performance

$3.0B | First Day Closing Market Cap

First Advantage

Company Snapshot

Leading Global Provider of Technology Solutions for Screening, Verifications, Safety, and Compliance Related to Human Capital

OUR MARKET

$13B Total Addressable Market

$7B of Whitespace and Attractive Growth

OUR CUSTOMERS

30K Customers in 2020	75M Screens in 2020	55 of Fortune 100 165 of Fortune 500	~95% Gross Retention Rate [1]	12 Year Average Tenure [2]

OUR TECHNOLOGY

1 Core Platform	65+ Human Capital Management Software Integrations	600+ Automated and / or Integrated Data Providers	2,200 Robotic Process Automation Bots Currently Deployed	480M+ Records in Proprietary Databases

OUR FINANCIALS (LTM Q2'21)

$600M Revenue 88% North America 12% International	29% Revenue Y/Y Growth [4]	$181M Adjusted EBITDA [3]	30% Adjusted EBITDA Margin [3]	46% Adjusted EBITDA Y/Y Growth [3, 4]

1. Average retention rate from 2018 to 2020.
2. Tenure for Top 100 customers.
3. See appendix for Adjusted EBITDA and Adjusted EBITDA Margin reconciliation.
4. LTM Q2'20 period is presented on a pro forma basis for the "Silver Lake Transaction" and the related refinancing (On January 31, 2020, a fund managed by Silver Lake acquired substantially all of the Company's equity interests from the Predecessor equity owners, primarily funds managed by Symphony Technology Group). See appendix for pro forma reconciliation.

First Advantage

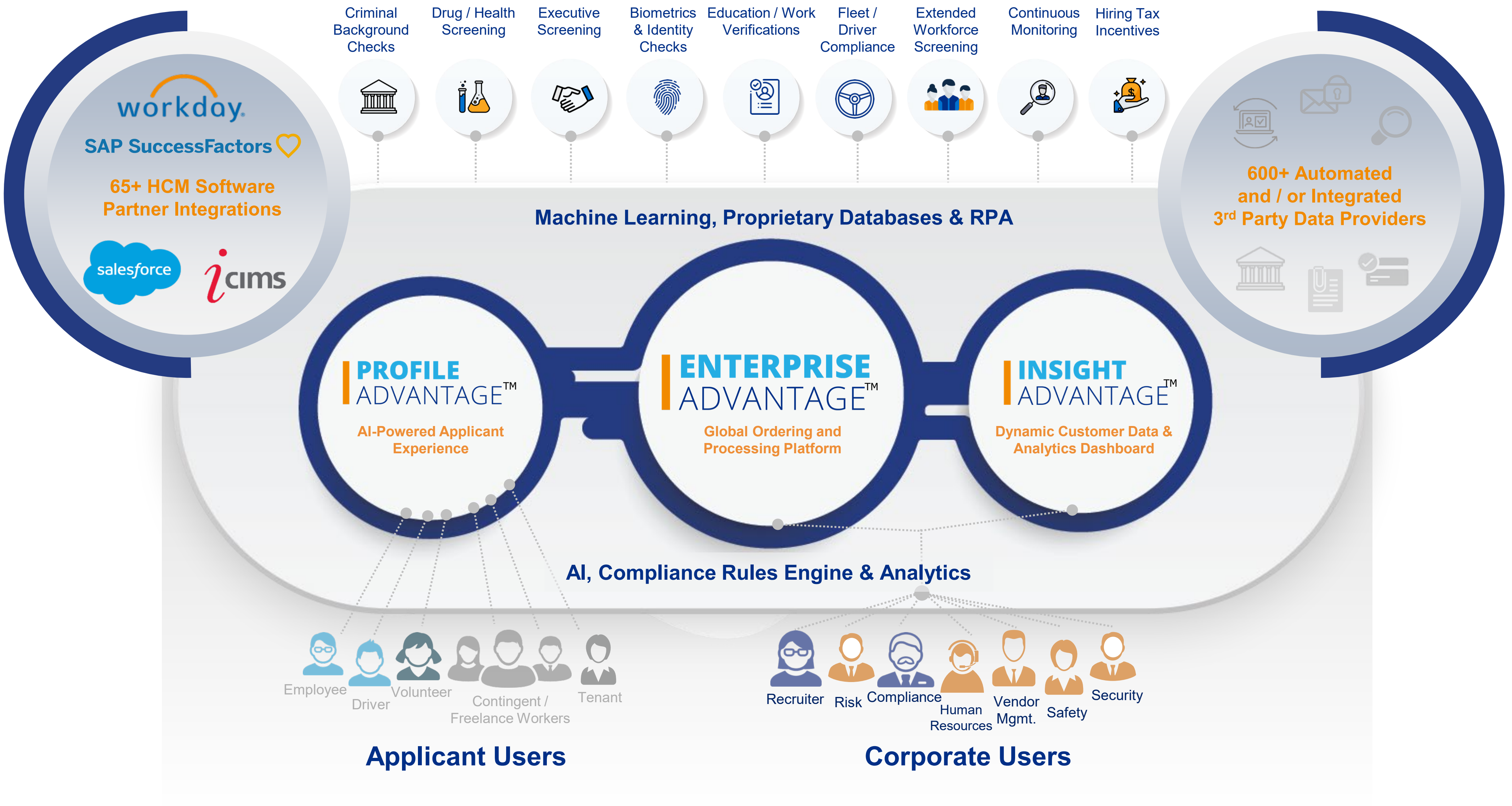
Quarterly Highlights

1. Favorable macro-economic and jobs trends and tailwinds, including hiring growth, new job creation, increasing turnover, and greater worker mobility
2. Increased momentum from our existing customers driven by broad-based hiring and screening growth across key verticals and geographies
3. Continued strength in new customer wins fueled by verticalized go-to-market teams, differentiated technology solutions, and global capabilities
4. Substantial rebound in international markets
5. Continued margin expansion from robotic process automation, utilization of our proprietary data and intelligent routing technology, further operational efficiencies, and G&A leverage
6. Completed UK screening business acquisition in March 2021

First Advantage

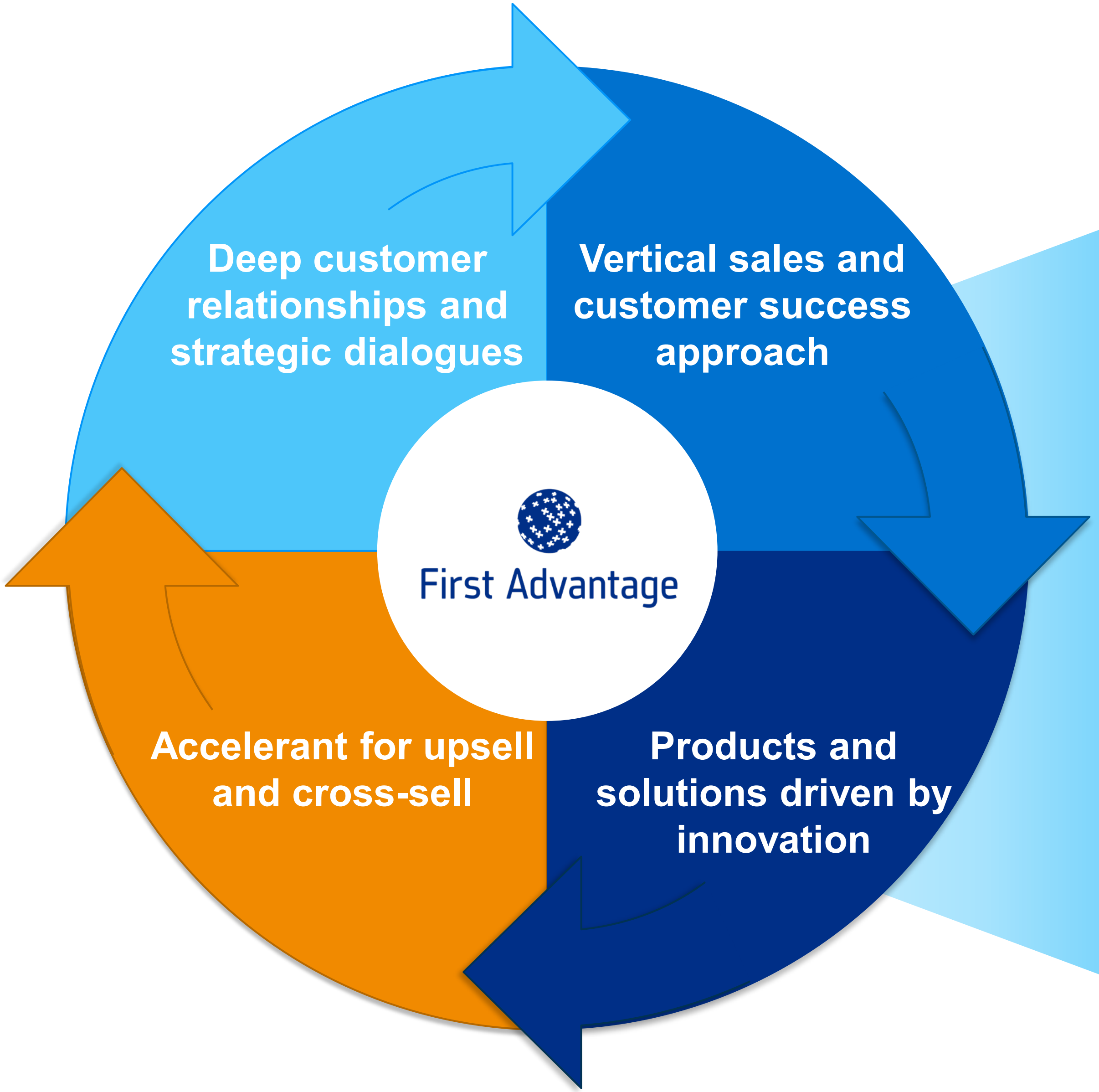
Differentiated and Embedded Technology Platform

Transforming a Complex Ecosystem into a Seamless Customer Experience



First Advantage

Vertical Strategy Key to Differentiation and Growth



Key Verticals

- Technology & Business Services
- Retail & E-Commerce
- Healthcare
- Financial Technology / Services
- Transportation & Home Delivery
- Flexible Workforce

First Advantage

David Gamsey

EVP, Chief Financial Officer

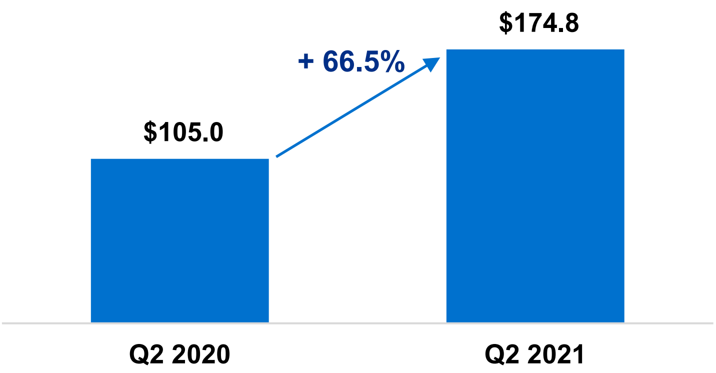
Q2 2021 Financial Results, Outlook

First Advantage

Q2 Financial Results

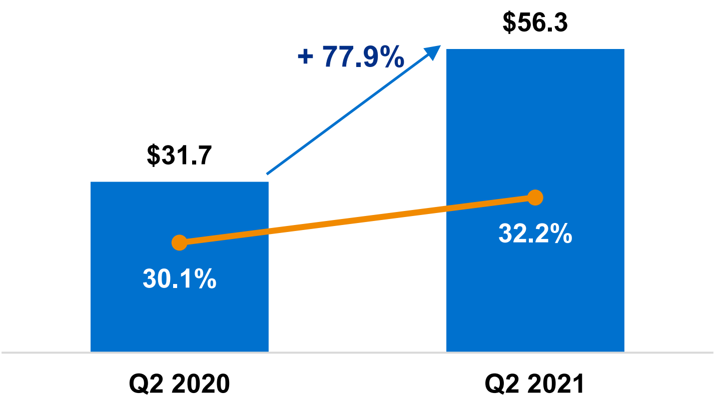
Revenues

$ in millions,
except per share data



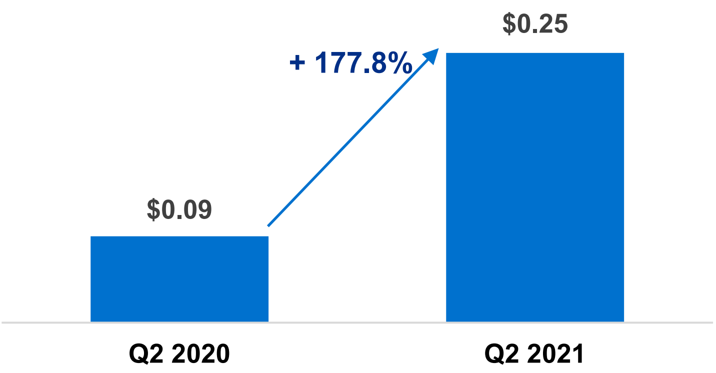
- Organic growth of 60%; acquisition related growth of 7%
- Accelerated hiring continued through Q2 2021
- Broad-based growth across key verticals and geographies
- Favorable FX impact on revenues of less than $1 million

Adjusted EBITDA and Margin [1]



- Driven primarily from revenue growth
- Margin expansion attributed to increased automation, cost discipline, and operating leverage

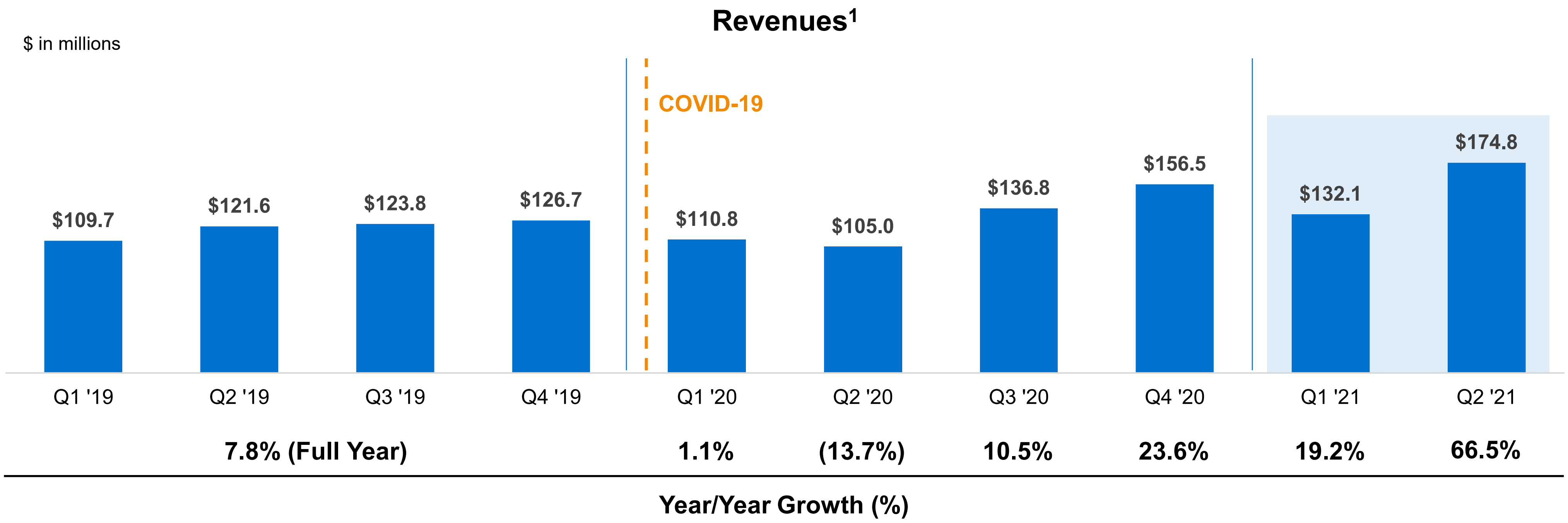
Adjusted Diluted EPS [1]



- Positively impacted by lower outstanding debt and lower interest rates, resulting in lower interest expense; partially offset by higher foreign taxes
- Adjusted effective tax rate of 25.7% and 28.0% in Q2 2020 and Q2 2021, respectively

1. See appendix for a reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted Diluted EPS.

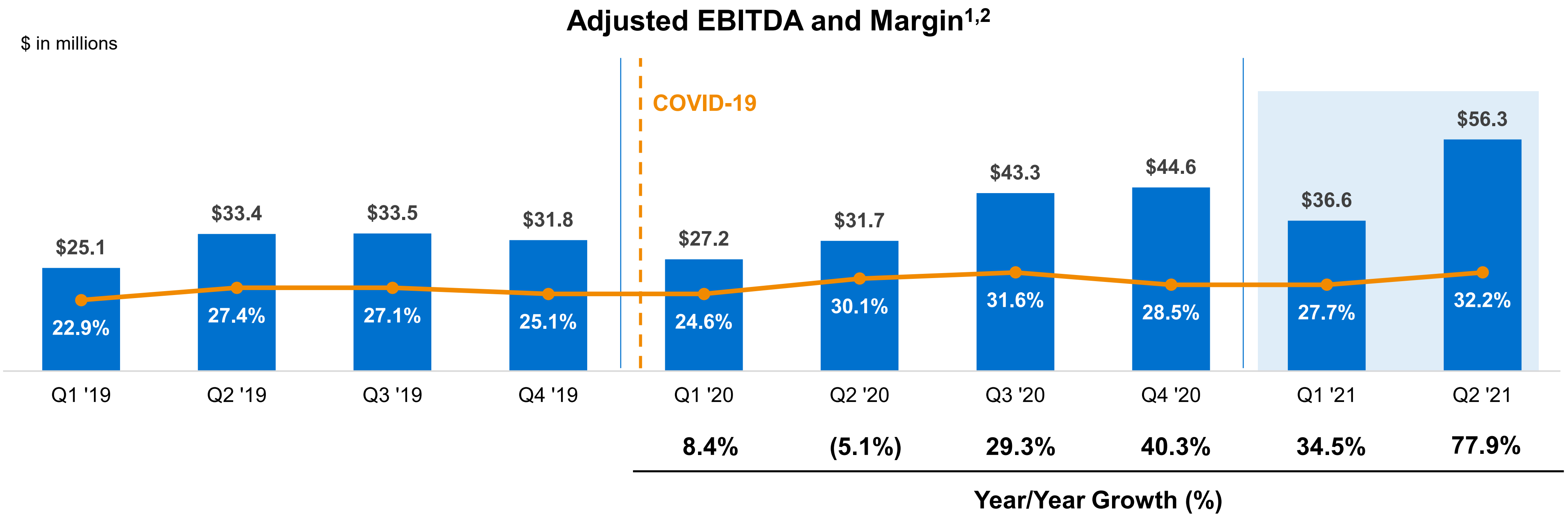
Established Track Record with COVID-19 Resiliency



- Demonstrated resiliency during COVID-19 downturn
- Deep customer relationships; focus on enterprise customers; upsell/cross-sell
- Diverse, attractive industry verticals
- Verticalized sales force driving market share gains
- UK screening business acquisition closed on March 31, 2021

1. Q1'20 is presented on a pro forma basis for the Silver Lake Transaction and the related refinancing. See appendix for pro forma reconciliation.

Established Track Record with COVID-19 Resiliency



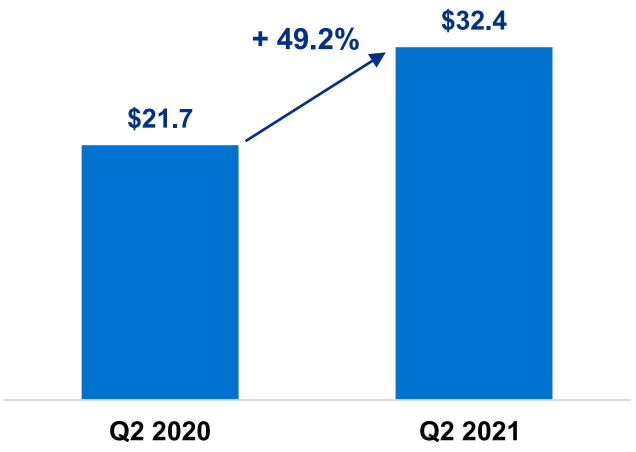
- Expanding utilization of proprietary databases and increasing automation with third-party data providers
- Technological innovations including robotic process automation initiatives
- Strong procurement team
- Leveraging existing G&A infrastructure
- Variable and flexible cost structure; reacted quickly during COVID-19 crisis
- Disciplined balance between cost efficiency and strategic investments; continuing to invest in technology and sales while leveraging G&A costs

1. See appendix for Adjusted EBITDA and Adjusted EBITDA Margin reconciliation.
2. Q1'20 is presented on a pro forma basis for the Silver Lake Transaction and the related refinancing. See appendix for pro forma reconciliation.

Cash Flow, Balance Sheet & Capital Allocation

CASH FLOW FROM OPERATING ACTIVITIES

$ in millions



NET LEVERAGE AT JUNE 30, 2021

Debt	$565
Cash	$257
LTM Adjusted EBITDA[1]	$181
Net Leverage	**1.7x**

CAPITAL ALLOCATION PRIORITIES

Pursue M&A opportunities
- Acquisitions that are strategic, accretive, and generate strong ROI
- Vertical expertise
- International expansion
- Enterprise Risk Services
- Data and/or technology

Continue to invest in organic growth
- Focus on maintaining and enhancing industry leadership position through technology and automation
- Continued investment in Sales, Solution Engineering, and Customer Success
- New product innovation

Maintain conservative leverage
- Target long-term leverage range of 2x - 3x
- No remaining mandatory quarterly principal payments due under first lien credit facility agreement

Strong cash flow and liquidity position provides flexibility to pursue multiple growth opportunities

1. See appendix for LTM Adjusted EBITDA reconciliation; net leverage calculated as (Debt – Cash) / LTM Adjusted EBITDA

First Advantage

Full Year 2021 Guidance[1]

$ in millions	2020[4]	Full Year 2021 Guidance As of 8/12/21	Y/Y % Growth
Revenues	$509.2	$640 to $650	+26% to 28%
Adjusted EBITDA[2]	$146.8	$186 to $190	+27% to 29%
Adjusted Net Income[2,3]	$65.6	$110 to $113	+68% to 72%
Capital Expenditures (consisting of purchases of property and equipment and capitalized software development costs)	$17.7	$25 to $26	+41% to 47%

1. Actual results may differ materially from First Advantage's Full Year 2021 Guidance as a result of, among other things, the factors described under "Forward-Looking Statements" in this presentation.
2. A reconciliation of the foregoing guidance for the Non-GAAP metrics of Adjusted EBITDA and Adjusted Net Income to GAAP net income (loss) cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the various adjusting items necessary for such reconciliation that have not yet occurred, are out of our control, or cannot be reasonably predicted. For the same reasons, the Company is unable to assess the probable significance of the unavailable information, which could have a material impact on its future GAAP financial results.
3. Assumes adjusted effective tax rate will be in the range of 26.5% to 27.5% for 2021.
4. 2020 is presented on a pro forma basis to give effect to the Silver Lake Transaction and the related refinancing as if it had occurred on January 1, 2020. See appendix for pro forma reconciliation. Capital Expenditures represents the mathematical addition of purchases of property and equipment and capitalized software development costs for the Predecessor and Successor periods in 2020. Purchases of property and equipment for the Predecessor and Successor periods was $1.0 million and $5.3 million, respectively. Capitalized software development costs for the Predecessor and Successor periods was $0.9 million and $10.5 million, respectively.

First Advantage

Scott Staples

Chief Executive Officer

Closing Remarks

Investment Highlights

- A global leader in large, fragmented, and growing market
- Macro-economic tailwinds driving a robust hiring environment
- Differentiated and embedded technology platform that provides mission-critical solutions in an increasingly complex market
- Verticalized go-to-market strategy drives deep, long-term customer relationships and diversified industry exposure
- Seasoned leadership team with deep industry knowledge and a culture of innovation
- Resilient financial model and consistent track record of strong organic revenue growth, margin expansion, and cash flow generation

Appendix

Reconciliations to GAAP Measures

First Advantage

Adjusted EBITDA

	Predecessor					Successor						
	For the Quarters Ended				Period Ended	Period Ended	For the Quarters Ended					
	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Jan. 31, 2020	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	
(in thousands)	Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1	Q2	LTM Q2'2021
Net income (loss)	$ 3,196	$ 10,720	$ 11,587	$ 8,747	$ (36,530)	$ (21,814)	$ (16,366)	$ (3,452)	$ (5,858)	$ (19,389)	$ 3,770	$ (24,929)
Interest expense, net	13,023	12,829	12,757	12,410	4,489	12,830	13,663	11,631	9,259	6,717	10,452	38,059
Provision for income taxes	902	2,184	2,172	1,640	(871)	(4,920)	(3,499)	(2,889)	(47)	(4,435)	3,063	(4,308)
Depreciation and amortization	6,268	6,545	6,552	6,588	2,105	24,487	36,572	36,756	37,241	34,763	35,918	144,678
Loss on extinguishment of debt	—	—	—	—	10,533	—	—	—	—	13,938	—	13,938
Share-based compensation	354	324	274	264	3,976	281	520	531	544	562	2,664	4,301
Transaction and acquisition-related charges [(a)]	—	—	349	849	22,840	9,446	76	56	568	3,984	382	4,990
Integration and restructuring charges[(b)]	—	—	—	—	327	—	262	26	3,125	448	73	3,672
Other[(c)]	1,349	760	(200)	1,330	153	(121)	427	630	(189)	2	—	443
Adjusted EBITDA	**$ 25,092**	**$ 33,362**	**$ 33,491**	**$ 31,828**	**$ 7,022**	**$ 20,189**	**$ 31,655**	**$ 43,289**	**$ 44,643**	**$ 36,590**	**$ 56,322**	**$ 180,844**
Revenues	109,687	121,621	123,769	126,690	36,785	74,054	104,993	136,778	156,544	132,070	174,826	600,218
Net income (loss) margin	**2.9%**	**8.8%**	**9.4%**	**6.9%**	**(99.3)%**	**(29.5)%**	**(15.6)%**	**(2.5)%**	**(3.7)%**	**(14.7)%**	**2.2%**	**(4.2)%**
Net income (loss) Year/Year Growth	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**(252.7)%**	**(129.8)%**	**(167.0)%**	**(54.4)%**	**(123.0)%**	**n/a**
Adjusted EBITDA Margin	**22.9%**	**27.4%**	**27.1%**	**25.1%**	**19.1%**	**27.3%**	**30.1%**	**31.6%**	**28.5%**	**27.7%**	**32.2%**	**30.1%**

(a) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Additionally, the three months ended June 30, 2021 (Successor) includes incremental professional service fees incurred related to the initial public offering.
(b) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.
(c) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets. Additionally, the three months ended June 30, 2020 (Successor) includes the incremental costs incurred due to COVID-19.

First Advantage

Adjusted EBITDA

(2020 Pro Forma LTM for Silver Lake Transaction)

	Predecessor			Successor				
	Quarter Ended		Period Ended	Period Ended	Quarter Ended	Pro Forma Adjustments for the Three Months Ended	Pro Forma Three Months Ended	Pro Forma LTM
(in thousands)	Sep. 30, 2019 Q3	Dec. 31, 2019 Q4	Jan. 31, 2020 Q1	Mar. 31, 2020 Q1	Jun. 30, 2020 Q2	March 31, 2020	March 31, 2020	Q2'2020
Net income (loss)	$ 11,587	$ 8,747	$ (36,530)	$ (21,814)	$ (16,366)	$ 15,778	$ (42,566)	$ (38,598)
Interest expense, net	12,757	12,410	4,489	12,830	13,663	2,130	19,449	58,279
Provision for income taxes	2,172	1,640	(871)	(4,920)	(3,499)	5,457	(334)	(21)
Depreciation and amortization	6,552	6,588	2,105	24,487	36,572	9,538	36,130	85,842
Loss on extinguishment of debt	—	—	10,533	—	—	(10,533)	—	—
Share-based compensation	274	264	3,976	281	520	—	4,257	5,315
Transaction and acquisition-related charges [(a)]	349	849	22,840	9,446	76	(22,370)	9,916	11,190
Integration and restructuring charges[(b)]	—	—	327	—	262	—	327	589
Other[(c)]	(200)	1,330	153	(121)	427	—	32	1,589
Adjusted EBITDA	**$ 33,491**	**$ 31,828**	**$ 7,022**	**$ 20,189**	**$ 31,655**	**$ —**	**$ 27,211**	**$ 124,185**
Revenues	123,769	126,690	36,785	74,054	104,993	—	110,839	466,291
Net income (loss) margin	**9.4%**	**6.9%**	**(99.3)%**	**(29.5)%**	**(15.6)%**	—	**(38.4)%**	**(8.3)%**
Net income (loss) Year/Year Growth	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**(1431.9)%**	**n/a**
Adjusted EBITDA Margin	**27.1%**	**25.1%**	**19.1%**	**27.3%**	**30.1%**	—	**24.6%**	**26.6%**

(a) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Additionally, the three months ended June 30, 2021 (Successor) includes incremental professional service fees incurred related to the initial public offering.
(b) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.
(c) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets. Additionally, the three months ended June 30, 2020 (Successor) includes the incremental costs incurred due to COVID-19.

To facilitate comparability, we present the combination of consolidated results for Q1'2020, consisting of the Successor consolidated results from February 1, 2020 to March 31, 2020, the Predecessor consolidated results for the period from January 1, 2020 to January 31, 2020 and certain pro forma adjustments that give effect to the Silver Lake Transaction and the related refinancing as if it had occurred on January 1, 2020. The pro forma information above has been prepared on a basis consistent with Article 11 of Regulation S-X, but does not constitute Article 11 pro forma information because it only presents the pro forma, reflecting the Silver Lake Transaction and the related refinancing as if they had occurred as of January 1, 2020.

First Advantage

Adjusted EBITDA
(2020 Pro Forma for Silver Lake Transaction)

(in thousands)	Predecessor Period Ended Jan 31, 2020	Successor Period Ended Dec. 31, 2020	Pro Forma Adjustments for the year ended December 31, 2020	Pro Forma for the year ended December 31, 2020
Net income (loss)	$ (36,530)	$ (47,492)	$ 20,447	$ (63,575)
Interest expense, net	4,489	47,384	(741)	51,132
Provision for income taxes	(871)	(11,355)	7,073	(5,153)
Depreciation and amortization	2,105	135,057	6,124	143,286
Loss on extinguishment of debt	10,533	—	(10,533)	—
Share-based compensation	3,976	1,876		5,852
Transaction and acquisition-related charges [a]	22,840	10,146	(22,370)	10,616
Integration and restructuring charges[b]	327	3,413		3,740
Other[c]	153	747		900
Adjusted EBITDA	**$ 7,022**	**$ 139,776**	**$ —**	**$ 146,798**
Revenues	36,785	472,369	—	509,154

(a) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Additionally, the three months ended June 30, 2021 (Successor) includes incremental professional service fees incurred related to the initial public offering.
(b) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.
(c) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets. Additionally, the three months ended June 30, 2020 (Successor) includes the incremental costs incurred due to COVID-19.

To facilitate comparability, we present the combination of consolidated results for Q1'2020, consisting of the Successor consolidated results from February 1, 2020 to March 31, 2020, the Predecessor consolidated results for the period from January 1, 2020 to January 31, 2020 and certain pro forma adjustments that give effect to the Silver Lake Transaction and the related refinancing as if it had occurred on January 1, 2020. The pro forma information above has been prepared on a basis consistent with Article 11 of Regulation S-X, but does not constitute Article 11 pro forma information because it only presents the pro forma, reflecting the Silver Lake Transaction and the related refinancing as if they had occurred as of January 1, 2020.

First Advantage

Adjusted Net Income

(in thousands)	Successor For the Quarters Ended Jun. 30, 2020 Q2	Successor For the Quarters Ended Jun. 30, 2021 Q2
Net income (loss)	$ (16,366)	$ 3,770
Provision for income taxes	(3,499)	3,063
Income (loss) before provision for income taxes	(19,865)	6,833
Debt-related costs[(a)]	877	4,355
Acquisition-related depreciation and amortization[(b)]	34,135	31,786
Share-based compensation	520	2,664
Transaction and acquisition-related charges[(c)]	76	382
Integration and restructuring charges[(d)]	262	73
Other[(e)]	427	—
Adjusted net income before income tax effect	16,432	46,093
Less: Income tax effect[(f)]	4,223	12,896
Adjusted Net Income	**$ 12,209**	**$ 33,197**

(a) Represents the loss on extinguishment of debt and non-cash interest expense related to the amortization of debt issuance costs for the financing for the Silver Lake Transaction.
(b) Represents the depreciation and amortization expense related to intangible assets and developed technology assets recorded due to the application of ASC 805, Business Combinations.
(c) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Additionally, the three months ended June 30, 2021 (Successor) includes incremental professional service fees incurred related to the initial public offering.
(d) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.
(e) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets. Additionally, the three months ended June 30, 2020 (Successor) includes incremental costs incurred due to COVID-19.
(f) Effective tax rates of 25.7% and 28.0% have been used to compute Adjusted Net Income for the three months ended June 30, 2020 and 2021, respectively. As of December 31, 2020, we had net operating loss carryforwards of approximately $197.6 million, $166.2 million, and $36.0 million for federal, state, and foreign income tax purposes, respectively, available to reduce future income subject to income taxes. As a result, the amount of actual cash taxes we pay for federal, state, and foreign income taxes differs significantly from the effective income tax rate computed in accordance with GAAP, and from the normalized rates shown above.

Adjusted Net Income

(2020 Pro Forma for Silver Lake Transaction)

(in thousands)	Predecessor Period Ended Jan 31, 2020	Successor Period Ended Dec. 31, 2020	Pro Forma Adjustments for the year ended December 31, 2020	Pro Forma for the year ended December 31, 2020
Net income (loss)	$ (36,530)	$ (47,492)	$ 20,447	$ (63,575)
Provision for income taxes	(871)	(11,355)	7,073	(5,153)
Income (loss) before provision for income taxes	(37,401)	(58,847)	27,520	(68,728)
Debt-related costs[(a)]	11,102	3,242	(10,801)	3,543
Acquisition-related depreciation and amortization[(b)]	848	125,419	6,124	132,391
Share-based compensation	3,976	1,876	—	5,852
Transaction and acquisition-related charges[(c)]	22,840	10,146	(22,370)	10,616
Integration and restructuring charges[(d)]	327	3,413	—	3,740
Other[(e)]	153	747	—	900
Adjusted net income before income tax effect	1,845	85,996	473	88,314
Less: Income tax effect[(f)]	474	22,101	122	22,697
Adjusted Net Income	**$ 1,371**	**$ 63,895**	**$ 351**	**$ 65,617**

(a) Represents the loss on extinguishment of debt and non-cash interest expense related to the amortization of debt issuance costs for the financing for the Silver Lake Transaction.
(b) Represents the depreciation and amortization expense related to intangible assets and developed technology assets recorded due to the application of ASC 805, Business Combinations.
(c) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Additionally, the three months ended June 30, 2021 (Successor) includes incremental professional service fees incurred related to the initial public offering.
(d) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.
(e) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets. Additionally, the three months ended June 30, 2020 (Successor) includes incremental costs incurred due to COVID-19.
(f) Effective tax rates of 25.7% and 28.0% have been used to compute Adjusted Net Income for the three months ended June 30, 2020 and 2021, respectively. As of December 31, 2020, we had net operating loss carryforwards of approximately $197.6 million, $166.2 million, and $36.0 million for federal, state, and foreign income tax purposes, respectively, available to reduce future income subject to income taxes. As a result, the amount of actual cash taxes we pay for federal, state, and foreign income taxes differs significantly from the effective income tax rate computed in accordance with GAAP, and from the normalized rates shown above

To facilitate comparability, we present the combination of consolidated results for Q1'2020, consisting of the Successor consolidated results from February 1, 2020 to March 31, 2020, the Predecessor consolidated results for the period from January 1, 2020 to January 31, 2020 and certain pro forma adjustments that give effect to the Silver Lake Transaction and the related refinancing as if it had occurred on January 1, 2020. The pro forma information above has been prepared on a basis consistent with Article 11 of Regulation S-X, but does not constitute Article 11 pro forma information because it only presents the pro forma, reflecting the Silver Lake Transaction and the related refinancing as if they had occurred as of January 1, 2020.

First Advantage

Adjusted Diluted EPS

	Successor For the Quarters Ended Jun. 30, 2020 Q2	Jun. 30, 2021 Q2
Diluted net income (loss) per share (GAAP)	$ (0.13)	$ 0.03
Adjusted Net Income adjustments per share		
Income taxes	(0.03)	0.02
Debt-related costs (a)	0.01	0.03
Acquisition-related depreciation and amortization (b)	0.27	0.25
Share-based compensation	0.00	0.02
Transaction and acquisition related charges (c)	0.00	0.00
Integration and restructuring charges (d)	0.00	0.00
Other (e)	0.00	—
Adjusted income taxes (f)	(0.03)	(0.10)
Adjusted Diluted Earnings Per Share (Non-GAAP)	$ 0.09	$ 0.25
Weighted average number of shares outstanding used in computation of Adjusted Diluted Earnings Per Share:		
Weighted average number of shares outstanding—diluted (GAAP)	130,000,000	135,368,909
Options and restricted stock not included in weighted average number of shares outstanding—diluted (GAAP) (using treasury stock method)	—	—
Adjusted weighted average number of shares outstanding—diluted (Non-GAAP)	130,000,000	135,368,909

(a) Represents the loss on extinguishment of debt and non-cash interest expense related to the amortization of debt issuance costs for the financing for the Silver Lake Transaction.
(b) Represents the depreciation and amortization expense related to intangible assets and developed technology assets recorded due to the application of ASC 805, Business Combinations.
(c) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Additionally, the three months ended June 30, 2021 (Successor) includes incremental professional service fees incurred related to the initial public offering.
(d) Represents charges from organizational restructuring and integration activities outside of the ordinary course of business.
(e) Represents non-cash and other charges primarily related to legal exposures inherited from legacy acquisitions, foreign currency (gains) losses, and (gains) losses on the sale of assets. Additionally, the three months ended June 30, 2020 (Successor) includes incremental costs incurred due to COVID-19.
(f) Effective tax rates of 25.7% and 28.0% have been used to compute Adjusted Net Income for 2020 and the three months ended June 30, 2021, respectively. As of December 31, 2020, we had net operating loss carryforwards of approximately $197.6 million, $166.2 million, and $36.0 million for federal, state, and foreign income tax purposes, respectively, available to reduce future income subject to income taxes. As a result, the amount of actual cash taxes we pay for federal, state, and foreign income taxes differs significantly from the effective income tax rate computed in accordance with GAAP, and from the normalized rate shown above.