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# DELTA REPORT

## 10-K

MERIDIANLINK, INC.

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

| | |
|---|---|
| TOTAL DELTAS | 5341 |
| CHANGES | 285 |
| DELETIONS | 3236 |
| ADDITIONS | 1820 |



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

# FORM 10-K

**(Mark One)**

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

**For the fiscal year ended December 31, 2022 December 31, 2023**

**or**

o **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: 001-40680**

_____

# MeridianLink, Inc.

**(Exact Name of Registrant as Specified in its Charter)**

| **Delaware** | **82-4844620** |
|---|---|
| **(State or Other Jurisdiction of Incorporation or Organization)** | **(I.R.S. Employer Identification No.)** |
| **3560 Hyland Avenue, Suite 200, Costa Mesa, CA** | **92626** |
| **(Address of Principal Executive Offices)** | **(Zip Code)** |

**(714) 708-6950**
**(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, par value $0.001 per share | MLNK | The New York Stock Exchange |

**Securities registered pursuant to section 12(g) of the Act:** None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x



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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 x No o

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 x No o

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

| | | | |
|---|---|---|---|
| Large accelerated filer | o | Accelerated filer | x |
| Non-accelerated filer | o | Smaller reporting company | o |
| | | Emerging growth company | x |

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. o

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. o

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the registrant’s common stock held by non-affiliates of the registrant, based on the closing price of a share of the registrant’s common stock on June 30, 2022 June 30, 2023, as reported by the NYSE on such date was approximately $419.4 $549.5 million. Shares of the registrant’s common stock held by each executive officer, director and holder of 10% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

As of March 3, 2023 March 7, 2024, there were 80,676,264 76,318,174 shares of the registrant’s common stock, par value $0.001 per share, outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Certain information required by Part III of this Annual Report on Form 10-K, to the extent not set forth herein, is incorporated herein by reference from the registrant’s definitive proxy statement relating to the annual meeting of stockholders to be held in 2023, 2024, which definitive proxy statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this Annual Report on Form 10-K relates. Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, the registrant’s definitive proxy statement shall not be deemed to be filed as part hereof.



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**MeridianLink, Inc.**
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This Annual Report on Form 10-K for the year ended December 31, 2023, or our Annual Report on Form 10-K, includes trademarks, such as MeridianLink®, which are protected under applicable intellectual property laws and are the property of MeridianLink, Inc. or its subsidiaries. This Annual Report on Form 10-K also contains trademarks, service marks, copyrights, and trade names of other companies, which are the property of their respective owners. Solely for convenience, our trademarks and trade names referred to in this Annual Report on Form 10-K may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not

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assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

In this Annual Report on Form 10-K, the terms “MeridianLink,” “we,” “us,” and “our” refer to MeridianLink, Inc. and its subsidiaries, unless the context indicates otherwise.

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**Special Note about Forward-Looking Statements**

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or Exchange Act, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. All statements other than statements of historical fact included in this Annual Report on Form 10-K, including statements regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans, and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “may,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “Risk Factors” and elsewhere in this Annual Report on Form 10-K. 10-K and our other filings with the Securities and Exchange Commission, or SEC. These forward-looking statements are based on management’s current beliefs, based on currently available information, as to the outcome and timing of future events. You should not rely upon forward-looking statements as predictions of future events. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, gross profit or gross margin, operating expenses, ability to generate cash flow, revenue mix, and ability to achieve and maintain future profitability;
- our ability to execute on our strategies, plans, objectives, and goals;
- our ability to compete with existing and new competitors in existing and new markets and offerings;
- our ability to develop and protect our brand;
- our ability to effectively manage privacy and information and data security;
- increases the concentration of our customer base in the financial institution industry, and spending by financial institutions on cloud-based technology;
- anticipated trends and growth rates in our business and in the markets in which we operate;
- our ability to maintain and expand our customer base and our partner network;
- our ability to sell our applications and expand internationally;
- our ability to comply with laws and regulations;
- our ability to anticipate market needs and successfully develop new and enhanced solutions to meet those needs;
- the impact of the novel coronavirus, or COVID-19, pandemic and other global financial, economic, and political events on our industry, business, and results of operations;
- our ability to successfully identify, acquire, and integrate complementary businesses and technologies, and our expectations regarding the expected impact of such acquisitions on our business;
- our ability to hire and retain necessary qualified employees to grow our business and expand our operations;
- our ability to maintain effective internal control over financial reporting and disclosure controls and procedures, including our ability to remediate the identified material weakness in our internal control over financial reporting;
- our stock repurchase programs, including the execution and amount of repurchases and financing sources for any such repurchases;



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- the execution of restructuring plans, including expected or contemplated associated timing, benefits, and costs;
- the evolution of technology affecting our applications, platform, and markets;
- economic and industry trends, including the impact of rising inflation rates; rates on our customers and consumers generally;
- seasonal fluctuations in consumer borrowing trends and impact of changes in interest rates rates;
- our ability to adequately protect our intellectual property; and
- our ability to service our debt obligations.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report on Form 10-K.

The forward-looking statements made in this Annual Report on Form 10-K relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions,

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mergers, dispositions, joint ventures, or investments we may make. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we, in the future, may file



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with the Securities and Exchange Commission, or SEC, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all



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potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.



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## PART I. I

### Item 1. Business

## BUSINESS

### Our Vision and Mission

At MeridianLink, our vision is to power life's important financial moments and our mission is to be the most trusted financial services technology platform, enabling our customers to focus on what's truly important: their employees, clients, and communities.

### Who We Are

We are an industry-trusted software and services company, having earned our market-leading position by serving financial institutions, including banks, credit unions, mortgage lenders, specialty lending providers, and consumer reporting agencies, or CRAs, for more than 24 25 years. With MeridianLink, our mission-critical lending, account opening, and data verification software solutions, our customers can accelerate their digital transformation and better serve their clients. We support our customers' digital transformations by helping them create clients' needs. By providing a superior more personalized, automated client experience, with our mission-critical customers can improve client acquisition and retention while operating more efficiently.

MeridianLink empowers customers to drive efficient growth throughout the consumer lifecycle, including mortgage, and business lending account opening, portfolios. Our composable, cloud-based lending software and data verification software solutions. Our solutions allow harness the power of shared intelligence from a unified data platform, providing seamless integration for optimal efficiency throughout the customer's organization. Through MeridianLink One, our customers to meet their clients' needs across the institution, which enables improved client acquisition end-to-end, multi-product platform, financial institutions can more quickly reduce costs and retention. Additionally, our solutions allow our customers to operate more efficiently. capture growth opportunities, all while powering an enhanced experience for staff and clients alike.

Our lending software solutions provide a fully digital workflow for our customers, extending from their clients' initial account opening applications to our customers' final extension of credit and, where necessary, collections activity. We enable our customers to offer a wide array of products and services to new and existing clients, replacing traditional manual processing and less nimble in-house solutions. Our solutions address nearly all categories of consumer lending, including mortgage, credit card, personal, auto, home equity, and small business loans, and provide the software tools and data necessary to deliver frictionless experiences, including automated decisioning.



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Our data verification software solutions enable our customers to service their clients and make smarter business decisions by retrieving verification data for credit, income, employment, property, and fraud prevention. In addition to verifying third-party data, our software solutions represent the systems that customers use to efficiently run their businesses through order processing and billing. Our data verification software solutions include Mortgage Credit Link, is a versatile, stable, and powerful web-based fulfillment hub for consumer data verification. verification, and TazWorks, a comprehensive background screening software solution with productivity and mobile engagement tools. To capitalize on the credit bureaus and other available sources, financial institutions of all sizes turn to MeridianLink to optimize scoring attribute and data management. Instead of investing in wasted development time, customers connect to a single application programming interface, or API, to access credit and verification data from dozens of resellers and service providers.

When it comes to background screening, MeridianLink customers can leverage their TazWorks software as a comprehensive screening software solution with productivity and mobile engagement tools. The TazCloud platform provides a comprehensive technology solution for the background screening industry with a powerful suite of background screening applications, integrations, and advanced business intelligence tools to help customers make better decisions about their business.

We offer our software solutions using a software-as-a service, or SaaS, model under which our customers pay subscription fees for the use of our solutions and typically have multi-year contracts with an initial term of three years or more. Our customer contracts are typically not cancellable without penalty. Our subscription fee revenues include annual base fees, platform partner fees, and, depending on the solution, fees per search, per loan application, or per closed loan (with some contractual minimums based on volume) that are charged on a monthly basis, which we refer to as volume-based fees. We seek to deepen and grow our customer relationships by providing consistent, high-quality implementations and customer support services, which we believe drive higher customer retention and incremental sales opportunities within our existing customer base. We completed the migration to the public cloud in 2022 and will continue to invest in product development to further increase customer cross-selling and retention. We believe that our increased focus on our go-to-market strategy and partnerships will drive incremental opportunities for revenue and accelerate customer cross-sell growth.



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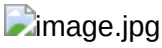

**Who We Serve**

We have had the privilege of helping our customers to revamp their lending and account opening processes, reduce operational costs, and increase revenue. As of December 31, 2022 December 31, 2023, our customer mix includes more than approximately 2,000 diverse financial institutions, including banks, credit unions, mortgage lenders, specialty lending providers, and CRAs. Our technology enables our customers to bridge the functional silos of their institutions and thereby increase their ability to serve more of their clients' needs and achieve incremental revenue.



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**History**

We have expanded our offerings and customer base through a combination of in-house initiatives and acquisitions to support continuous innovation for our customers' benefit. For approximately our first two decades, our expansion was driven by internal product initiatives and market development. Immediately after the investment by Thoma Bravo UGP, LLC and its affiliated entities, or Thoma Bravo, into MeridianLink in May 2018, we acquired CRIF Corporation, or CRIF, in June 2018.

In November 2020, we acquired Teledata Communications, Inc., or TCI. TCI is the creator of DecisionLender, a SaaS loan origination solution that was first released in 1998. DecisionLender is an industry-trusted loan origination software, or LOS, that primarily serves the indirect lending needs of banks, credit unions, and financial companies nationwide.

In December 2020, we acquired substantially all of the assets of TazWorks, LLC, or TazWorks. TazWorks is the creator of TazCloud, an end-to-end technology solution for the background screening industry. TazWorks provides us with capabilities that are highly complementary to our Mortgage Credit Link offering, enabling us to provide our CRA customers with a more complete solution.

In April 2021, we acquired Saylent Technologies, Inc., or Saylent. Saylent is a data analytics and marketing solution that offers insights to financial institutions that help drive account and credit and debit card usage. They determine the ideal target audiences, craft and deploy customized marketing campaigns and put them in action with fully automated, multi-channel outreach.

In April 2022, we acquired StreetShares, Inc., or StreetShares, a financial technology company that offers digital small business lending technology to banks and credit unions. The acquisition complements our existing lending platform and enhances our small business lending capabilities.



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In November 2022, we acquired Beanstalk Networks L.L.C., LLC, doing business as OpenClose, a leader in mortgage lending technology, with a particular focus on supporting depository institutions. This transaction is expected to improve has improved our



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platform by providing additional advanced, more open, and more customer-friendly capabilities, particularly through our Point of Sale solution. In addition to improving our capabilities, this transaction is expected to present presents benefits of increased scale and help helps solidify our position in the market by allowing us to target additional sales to depository institutions. market.

**Growth Strategy**

We believe there are significant growth opportunities driven by end-market expansion and geographic extension. We seek to capture additional growth driven by acquisitions of new logo acquisition, customers, organic cross-sell and upsell opportunities with our existing customers, and potential strategic acquisitions. We intend to continue growing our business by executing on the following strategies:

- **Continue adding customers in our target market.** We believe there is untapped market potential in the loan origination and digital banking markets. Significant runway exists as financial institutions begin to adopt online lending and account opening practices and require more efficient technologies. We provide these services to institutions of all sizes and complexities. By focusing on better sales execution, providing and allocating resources where needed, and improving marketing efforts, we are confident in our ability to expand our customer base within our target market.
- **Expanding Expand our target market.** Our current focus is on the middle-market, catering predominantly to financial institutions such as community banks and credit unions with assets under management between $100 million and $10 billion. We believe a large opportunity exists in expanding our target market to new customers with less than $100 million or greater than $10 billion in assets under management. In our down market, smaller institutions commonly use spreadsheets or other inexpensive alternatives. These companies have a smaller volume of loans per month, but we have developed targeted solution packages with lower implementation fees to address their primary needs.
- **Pursue unrealized upsell and cross-sell into client customer base.** Our go-to-market strategy and partnerships drive incremental revenue and client customer cross-sell growth. We have demonstrated our ability to retain customers with strong annual customer retention and to expand existing customers' solution adoption through upselling and cross-selling. We believe there is further opportunity to expand within and across our existing customer base by cross-selling all consumer loan types, upselling modules of existing products, and promoting the adoption of new products. Further, our transaction-based pricing structure means that our revenue opportunity grows along with our customers' volumes.
- **Launch new products.** We are focused on introducing new solutions and enhancing services and capabilities in areas including digital lending, data insights, collections, data verification, and marketing automation to further expand our reach into the consumer and commercial lending and background screening data verification markets. We are enhancing our offerings to create additional value for new and existing customers in order to increase our share-of-wallet and further distance ourselves from our competition. In 2022, we continued We continue to develop our end-to-end, multi-product platform, MeridianLink One. The platform connects our trusted products into one powerful platform to turn lending automation, cross-selling, and loan optimization into a transformational experience. For more information on this unified, cloud-native SaaS platform, please see the section titled "— Technology and Solutions."



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- **Expand monetization of Partner Marketplace.** We have designed our solutions to act as the gateway for third parties to access our financial institution and CRA customers, accelerating the loan application and decisioning processes and reducing expenses. We are able to capitalize on one-time service fees, recurring integration fees, and ongoing revenue share in platform partner fees. As we grow our business, we expect to bring on board additional vendor partners driving further monetization opportunities. We also intend to cultivate and leverage network partners to grow our market presence and drive greater sales efficiency.
- **Selectively pursue strategic mergers and acquisitions.** In addition to developing our solutions organically, we may selectively pursue acquisitions, joint ventures, or other strategic transactions that provide additional capabilities or customers, or both. We expect these transactions to focus on innovation to strengthen and expand the functionality and features of our customer solutions suite, gain market share, and/or expand our presence into new markets and geographies.



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- **Full Leverage interconnected data platform and digital solutions to enable customers to continue scaling over time**. With MeridianLink One, our multi-product platform hosted on the public cloud, migration we are able to drive enhanced capacity, flexibility, partner with customers on a long-term growth roadmap and security.offer new products and capabilities needed as they scale. Our interconnected data, digital solutions, and lending solutions harness the power of shared intelligence enabling customers to identify growth opportunities and easily add capabilities to meet the evolving digital needs of the market. In 2022, we successfully completed the migration to the public cloud. cloud to drive enhanced capacity, flexibility, and security of our software solutions. This separates MeridianLink from legacy systems and enables us to expand on our successes and deliver provide an even better experience for our customers, driven by the highly scalable and configurable nature of our platform, regardless of the size and complexity of the financial institution. We believe that the full migration of our solutions to a public cloud further enhances the ability of financial institution employees to work remotely and benefit from public cloud functionality which includes automatic push of new updates from public cloud partners. In addition, because MeridianLink One is hosted on the public cloud, we are more easily able to offer customers new products and capabilities at scale, making it more efficient for our customers to take advantage of a connected solution that meets the demand for multiple lending capabilities. The completion of the migration to the public cloud also allows us to refocus the available resources on the development of our product roadmap.
- **Substantial runway for increasing Increase penetration domestically and enhancing enhance solutions for international expansion.** Today, our revenues are all domestic, and the U.S. market provides substantial runway for continued growth. In addition, we believe that enhancing our capabilities to serve customers in international markets represents an opportunity to deliver our solutions and expand our customer base to financial institutions of all sizes and complexities around the world.



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**Technology and Solutions**

Our software provides our customers with an end-to-end solution that improves workflow within a financial institution. Our solutions are not only focused on driving increased loan origination and partner interactions at each digital touch point, but they also help our customers simplify how loans are processed and decisioned, so that increased client volume does not materially increase costs incurred by our customers. This enhanced efficiency enabled by the improved workflow we facilitate allows our customers to improve their financial performance. Our actively marketed solutions and services include Lending Software Solutions, which enable financial institutions to better serve consumers and businesses, and Data Verification Software Solutions, which are utilized by CRAs. Our software solutions include:

- Point of Sale Systems;
- Account Opening Software;
- Consumer LOS;
- Mortgage LOS;
- Business Lending Software;
- Marketing Automation Software;
- Data Verification Software;
- Collection Software; and
- Analytics and Business Intelligence Intelligence.



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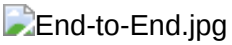


Our technologies directly connect our financial institution customers and the clients they serve, creating an omni-channel experience by integrating all potential client touch points onto a single platform. We provide software solutions that simplify loan decisioning, deposit and loan origination, and workflow by providing accurate information within a streamlined user-friendly platform. Our solutions were designed by bankers who understand how With 25 years of experience serving financial institutions, work and our solutions have been built designed to help consistently drive value through increased profitability and efficiency while facilitating regulatory compliance. With a broad set of integrated third-party capabilities and a robust underwriting and pricing engine, our solutions can be configured to fit the needs of a wide variety of financial institutions. In connection with our ongoing development and launch of MeridianLink One, in February 2021, we introduced a product-wide rebranding of our offerings under the unified brand of MeridianLink. Our rebranded core offerings include our



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Lending Software Solutions and our Data Verification Software Solutions as follows: highlighted in the graphic above and further described below.

**Lending Software Solutions**

***MeridianLink One***

MeridianLink One is our multi-product platform that can be tailored to meet the needs of our customers as they digitally transform their organizations and adapt to changing business and consumer demands. Moreover, our expert consultants offer strategic guidance and customized solutions through our modular platform so customers can more quickly reduce costs and increase revenue, efficiency, and customer satisfaction. MeridianLink One provides an all-in-one digital lending and deposit account opening platform that is powered by a smart cross-sell optimization engine. The platform spans mortgage, business lending, and consumer loan origination, offering enhanced transparency and efficiency to process loans. We designed a patented debt optimization engine to deepen the integration of our data verification and LOS solutions to empower loan officers to maximize loan acceptance rates, boost cross-sell opportunities, and deepen their relationships with clients. Additionally, the platform provides access to our large network of third-party integrations and that further accelerate the loan process and reduce expenses for our customers.

***MeridianLink Portal***

We offer a Point of Sale, system or POS, systems through our MeridianLink Portal and MeridianLink Access that allows allow financial institutions, regardless of size, to easily expand existing lending and deposit account origination platforms to online consumers while ensuring control of the entire online application experience. From the ability to determine which loan and deposit account applications to make available online, to customizing the look and feel to match an existing web presence, our system has hundreds of configurations available to tailor the online application process to meet a financial institution's business objectives. Our POS system is the consumer touch point and funnel for consumer loans by integrating seamlessly with the all-in-one platform



consumer LOS and account opening software so that online applications route securely and





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reliably into the customer's existing platform. In October 2023, we launched MeridianLink Access, our new POS solution that provides enhanced configurability, enabling customers to fine-tune and personalize their consumer-facing processes in alignment with the unique requirements of their institution. MeridianLink Access will join MeridianLink Portal as our second POS solution for financial institutions.

***MeridianLink Opening***

We offer a comprehensive cloud-based online account opening and deposit software solution through our MeridianLink Opening product. The platform unifies deposit account opening and funding for all channels and product types. With robust functionality ranging from identity verification, OFAC checks, e-signature, switch kits, and core system connectivity, our platform saves operational costs and increases customer satisfaction from application initiation to account creation.

***MeridianLink Consumer***

We offer LOS software, which we call MeridianLink Consumer, that provides a full loan solution suite to banks and credit unions. Our solution offers automated underwriting and pricing for indirect loans (auto and retail), consumer lending (direct auto and unsecured and secured personal loans), lines of credit, business loans, home equity loans, home equity lines of credit, and vehicle leases. As a single loan origination system, our software consolidates applications from all channels, applying the same rules and processes to ensure a streamlined process for institutional staff and a user-friendly consumer experience for customers. The solution provides a frictionless experience by consolidating data from all existing channels—mobile, online, branch, call center, indirect, retail, and kiosk—into a unified consumer experience. The modern, intuitive, and efficient user interface, or UI, makes everyday transaction processing easier. In addition, our cross-sell engine identifies potential cross-sell opportunities, such as credit card debt consolidation or auto loan refinancing, for our customers.

***MeridianLink Mortgage***

We offer cloud-based software designed for financial professionals to optimize the end-to-end mortgage loan origination process through our MeridianLink Mortgage product. We use automation, technology, and a dedicated support staff to help lenders deliver fast and compliant loans. This includes a complete decision engine that provides deep credit analysis, automated condition generation, and automated fee calculations – all of which increase the efficiency of the origination. Our suite of tools (including MeridianLink Mortgage Access, Open API, PriceMyLoan, eDocs, LenderAssist, DecisionAssist, and web portals) allows for individual customization while enabling regulatory compliance.

***MeridianLink Business***

Originally launched as the Atlas Platform by StreetShares, which we acquired in 2022, MeridianLink Business is a key component of our multi-product platform, MeridianLink One. Our business lending offering brings together the innovation of both the StreetShares and MeridianLink teams to optimize financial institutions' business lending capabilities. MeridianLink Business serves financial institutions looking for businesses/commercial lending solutions in order to capabilities that serve businesses in their communities. MeridianLink Business provides certain functions specifically for business lending, which are not found within MeridianLink Consumer, such as automated cash flow statement creation, business credit reports, and business risk and identity verification.

***MeridianLink Collect***

We offer a web-based debt collection software that helps customers easily and efficiently manage delinquencies, which we refer to as MeridianLink Collect. The software provides benefits with a sleek UI that is simple to use, allowing users to be



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quickly trained to set up and to manage the product. It replaces tedious workflows with automation, sophisticated analytics, and easy-to-use functionality.

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***Analytics and Business Intelligence***

We offer a range of solutions that deliver the quality and expertise of an internal team through agile analytics and business intelligence tools, currently offered through MeridianLink Engage, MeridianLink Consulting, MeridianLink Data Connect, and MeridianLink Insight. Our analytics tools are aimed at maximizing our customers' credit portfolio performance through tailored services, as well as allowing our customers to make better and faster business decisions. The solutions are designed with interactive visualizations and various filter dimensions to enable our customers to optimize their experience. We provide intuitive dashboards, easy-to-read reports, and a powerful exploratory sandbox, presenting a comprehensive solution for a multi-level audience while providing insights for omni-channel execution.

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***Data Verification Software Solutions***

We offer a plug-and-play, cloud-based order fulfillment hub for bankers and credit officers, which we refer to us our Data Verification Software Solutions and encompasses our Mortgage Credit Link, TazCloud, and Credit API products. Our software simplifies product ordering with an intuitive web interface and integrated tools for order fulfillment. The solution provides users access to a large network of consumer credit, data, and verification service providers and allows them to process credit, income verification, employment, criminal and rental history, and other related services. A comprehensive list of product and service APIs allows for integrations into a number of applications for a seamless experience to minimize human error and to reduce costs.

***Additional Solutions***

In addition to the solutions listed above, we support additional loan origination systems, other credit decisioning tools, and additional solution modules. Several of these additional solutions, such as ACTion, LCC/Appro, BizMark/Mark4, Sail/Teres, and Synergy, came to us via acquisitions, and we are proud of the legacy of these solutions and committed to ensuring the best journey for these customers. Wherever possible, we seek to make available the capabilities and innovations of our new solutions to those customers on older versions of our solutions.



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**Financial Model and Key Metrics**

Our revenues are broken out between among three components: subscription fees, professional services, and other revenues. Our subscription fees consist of revenues from software solutions that typically are multi-year contracts with an initial term of three years or more. Our customer contracts are typically not cancellable without penalty. Our subscription fee revenues include annual base fees, platform partner fees, and, depending on the solution, fees per search or per loan application or per closed loan (with some contractual minimums based on volume) that are charged on a monthly basis, which we refer to as volume-based fees. Our professional service fees are driven by professional services for the setup and configuration of platform modules for customer needs as well as certain consulting engagements regarding best practices and analytics. Our other fees consist of one-time and recurring fees that include implementation fees, annual fees, and revenue sharing based on revenue generated, applications or loans, or some combination of the above.

We have high customer and revenue retention due to the nature of the services we provide. Customer provide, which are designed to automate complex workflows and integrations for the customer. For example, onboarding and loan origination workflows within financial institutions are complicated with significant compliance requirements and often require integration with legacy systems that are highly customized and fragmented.

Our pricing model provides us with several monetization opportunities to receive revenues in excess of what is contractually committed by our customers. Current pricing requires a contractual commitment for a minimum revenue amount, which correlates to an allowable amount of applications in that month. Customers can achieve lower per application pricing by contracting for a higher monthly revenue commitment. Customers pay on a per transaction basis if their volume surpasses their minimum commitment level. For non-mortgage consumer loans, including personal loans, auto loans, and credit cards, clients pay per-application, regardless of whether the application is accepted or denied. For our mortgage loan product, clients pay per-funded loans. loan.



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An additional opportunity for generating revenues in excess of what is contractually committed is through our Partner Marketplace. Through reseller and referral relationships, we receive revenues based on our customers' use of a partner's services. In many instances, our partners have their own sales and marketing efforts targeted at our customers, – and when those third-party sales efforts are successful for our partners, it also generates fees for us. We also market our partners' solutions to our customers as a way to generate revenues and also to ensure that our customers are leveraging the full benefit of our solution, which includes the capabilities offered through our partners.

**Sales and Marketing**

Our sales team primarily consists of our new logo sales team, teams, which focuses focus on selling into accounts that currently do not have a relationship with us, and our account manager customer sales team, which sells into existing customer accounts. Both Our sales teams are supported by our sales engineers, who demonstrate the functionality of our solutions to prospects, and our sales revenue operations team which manages reporting, analytics, and sales enablement.



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Our new logo team is teams are responsible for expanding our customer base. This team is These teams are trained to nurture our customer prospects, including through discovery of such prospects' currently implemented solutions, if any, and through demonstration of the capabilities our solutions offer and the potential benefits to the customer prospect if they implement our solutions from us. solutions.

Our account management customer sales team maintains close relationships with existing customers and acts as advisors to each customer, helping them identify and understand their specific needs, challenges, goals, and opportunities with the intention to expand the breadth of our solutions the customer currently uses. It is the role of this team to ensure that our existing customers get the maximum benefit from the breadth of the solutions we provide.

We also have a sales team supporting our channel partners to ensure they receive the sales support that is required to capitalize on prospects that are identified through the partner's selling efforts. The channel sales team also seeks to identify new potential channel partners who can expand the breadth of our reach to potential prospects.

To build brand awareness, thought leadership and generate qualified sales leads, opportunities, we conduct digital marketing campaigns, webinars, public relations campaigns, lead development activities, and advertise through multiple avenues, including industry publications and conferences. In addition to such digital marketing campaigns within the marketing team, we also employ a team of business development representatives who are responsible for generating qualified sales opportunities for both the new logo and the existing customer sales teams. We have also historically hosted an in-person annual user forum to foster a customer community, showcase our most recent solution enhancements, and engage in a discussion on the direction and roadmap of our solutions. The user forums in 2020 and 2021 were held virtually due to the COVID-19 pandemic and returned to in-person in 2022. The annual MeridianLink LIVE 2022 2023 user forum gave us the opportunity to engage with nearly over 1,000 customers and partners for three days. As a result of the positive feedback and growing attendance, we plan to expand the event to a larger venue participants in 2023. person.

**Research and Development**

Our research and development organization is responsible for the design, development, and testing of our technology. We utilize agile software development methodologies and industry best practices, such as continuous integration/continuous deployment, automated testing, and distributed version control, to develop new functionality and enhance our existing solution.

**Competition**

We face competition for our solutions from a wide range of offerings from manual in-house processes to similar functionality bundled with a core solution to separate point solutions to other competitors who have a similar solution approach as we do. While this competition impacts each of the markets we target, we do not believe there are any competitors that provide all of the solutions and connections that we provide. We compete in a variety of categories, particularly Loan Origination and associated functionality and Data Verification. We believe we have a strong and defensible position in our target market due to the breadth of our capabilities, the depth of our functionality (developed and enhanced throughout our multi-decade



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history), our integration across loan types, our Partner Marketplace, and our ability to deliver value through workflow efficiency and the expertise available through our services and support teams.



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***Loan Origination***

Our competitors generally do not compete across the full spectrum of our loan origination capabilities. Within non-mortgage consumer loan origination, our main source of competition is the similar capabilities offered by a customer's core banking system provider, such as Fiserv, Inc., Fidelity National Information Services, Inc., Jack Henry & Associates, and Temenos, with Fiserv, Inc. and Jack Henry and Associates also being current MeridianLink partners. Other financial technology software companies, such as nCino and Q2, also have competitive functionality. Additionally, we compete with customers who have a narrower focus like CU Direct's Origence product and Sync1 Systems product offering. Financial institutions rely on streamlined consumer lending origination software in order to accurately and efficiently gather the data needed to open and process all types of accounts and loans.

Our primary competitors in the mortgage loan origination market are Calyx, Intercontinental Exchange, Mortgage Cadence, and, to a lesser extent, Optimal Blue and Empower LOS, which were acquired by subsidiaries of Constellation Software Inc. in 2023 in connection with divestitures by Black Knight. The capabilities provided by a mortgage loan origination system are a point of focus for financial institutions as decreasing mortgage loan volume and rising origination costs continue to drive demand for systems that optimize lending decisions and loan composition in an automated, accurate manner. We believe our SaaS-based end-to-end origination solution, MeridianLink One, for all consumer loan types, accounting opening, deposit applications, and more allows us to differentiate ourselves from our competitors.



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***Data Verification***

We compete with both direct competitors and vendors who have developed proprietary in-house solutions that replicate the functionality of our Data Verification Software Solution. CRAs that have developed proprietary in-house credit reporting capabilities include CoreLogic and CBC Innovis, and proprietary in-house background screening capabilities include HireRight and Checkr. We have a limited number of competitors that provide a platform solution similar to the capabilities of MeridianLink Mortgage Credit Link but there is more direct competition in background screening, including Accio and



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Deverus. The delivery of secure and accurate data from disparate sources to institutions has become increasingly important as they rely more on independent verification services. We believe that we distinguish ourselves in this area by providing instant access to a rapidly growing network of consumer credit, data, and verification service providers, including Fannie Mae and Freddie Mac.

We believe the principal competitive factors in our market include:

- product features, performance, and effectiveness;
- solution line breadth, depth, and continuity;
- reliability and security;
- cloud-based technology platform and subscription pricing model;
- quality of implementation and customer support services;
- capability for configuration, integration, and scalability;
- ease of use and efficient workflows;
- level of customer satisfaction;
- price, commercial model, and total cost of use;
- strength of sales and marketing efforts;
- client experience;
- comprehensiveness of solutions; and
- delivery of process automation for financial institutions.

We believe that we compete favorably against our competitors based on the factors above and that we distinguish ourselves through our functionality and user design, a culture and history of innovation and client excellence, a track record of developing innovative features, and differentiated, high customer satisfaction. Our success in growing our business will depend on our ability to continue demonstrating to financial institutions that our solution provides superior business outcomes to those of alternative vendors or internally developed systems.



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**Government Regulation**

As a technology service provider to banks and credit unions, we are not required to be chartered by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, or other federal or state agencies that regulate or supervise our



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customers and other providers of financial services. The U.S. lending industry is heavily regulated. Originators, lenders, CRAs, and service providers with which we do business are subject to federal, state, and local laws that regulate and restrict the manner in which they operate in the lending industry, including, but not limited to, the Real Estate Settlement Procedures Act of 1974, as amended, the Truth in Lending Act of 1968, as amended, the Equal Credit Opportunity Act of 1974, as amended, and the Fair Credit Reporting Act of 1970, as amended, or FCRA. Other than our indirect, wholly-owned subsidiary, Professional Credit Reporting, Inc., which is a consumer reporting agency and is subject to the FCRA, and MeridianLink Wholesale Data, LLC, a wholesale data company, we are not directly subject to these laws and regulations; however, changes to these laws and regulations could broaden the scope of parties or activities subject to regulation and require us to comply with their restrictions, and new solutions and services developed by us may be subject to, or have to reflect, these laws or regulations. For more information about governmental regulations applicable to our business, refer to “Risk Factors” in Item 1A.



**Information Security**

We have an established information security program aligned to the NIST SP 800-53 standard and the Payment Card Industry, or PCI, Data Security Standard, or DSS. Our program is led by our Chief Information Security Officer and implemented by a dedicated information security team. Our solutions currently are hosted in data centers and public cloud providers located within the United States. We monitor our infrastructure for signs of failure and seek to take preemptive action in an effort to minimize and prevent downtime. Our data centers employ advanced measures designed to protect the integrity and security of our data. We have also implemented disaster recovery measures and continue to invest in our data center and other technical infrastructure.

Customer data processed by our servers is encrypted, password protected, and stored on secure hardened servers. Customers transmit data to our servers though a TLS encryption channel, with AES 256-bit ciphers protecting the data against third party disclosure in transit. Data at rest is encrypted utilizing AES 256-bit Key Management Systems. We also employ anti-virus, anti-malware, and advanced threat protection capabilities. We engage a third-party audit firm to conduct an annual SOC 2 Type 2 audit of our information security program and a PCI-DSS audit of our cardholder data environment.

**Cyclicality and Seasonality**

The demand for loan originations is affected by consumer demand for personal loans and the market for buying, selling, financing, and/or re-financing assets, which in turn, is affected by the national economy, regional trends, property valuations, interest rates, and socio-economic trends and by state and federal regulations and programs which may encourage or discourage certain purchasing trends. Our business is generally subject to seasonal trends with activity generally decreasing during the winter months, especially home purchase loans and related services. Our lowest revenue levels during the year have historically been in the fourth quarter, but this may not be indicative of future results.

Additionally, the timing and amount of any transaction revenue generated in excess of the contractually committed monthly minimum fee can be subject to fluctuations of consumer behavior tied to seasonality as well as macroeconomic conditions



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that impact consumer loan volumes. The timing of our implementation activities and corresponding revenues from new customers also are subject to fluctuation based on the timing of our sales. Sales may tend to be lower in the first quarter of each year than in subsequent quarters, but any resulting impact on our results of operations has been difficult to measure due to the timing of our implementations and overall growth in our business. The timing of our implementations also varies period-to-period based on our implementation capacity, the number of solutions purchased by our customers, the size and unique needs of our customers, and the readiness of our customers to implement our solutions. Our solutions are often the most frequent point of engagement between our customers and their clients. As a result, we and our customers are very deliberate and careful in our implementation activities to help ensure a successful roll-out of the solutions to their clients. Unusually long or short implementations, for even a small number of customers, may result in short-term quarterly variability in our results of operations.



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**Intellectual Property**

We believe that our intellectual property rights are valuable and important to our business. We rely on a combination of trademarks, copyrights, rights under trade secret laws, patents, license agreements, confidentiality procedures, non-disclosure agreements, and employee disclosure and invention assignment agreements, as well as other legal and contractual rights, to establish and protect our proprietary rights. Though we rely in part upon these legal and contractual protections, we believe that factors such as the skills and ingenuity of our employees and the functionality and frequent enhancements to our solutions are larger contributors to our success in the market. We continually review our development efforts to assess the existence and patent potential of new intellectual property.

We have an ongoing trademark and service mark registration program pursuant to which we register our brand names and product names taglines, and logos in the United States to the extent we determine appropriate and cost-effective. As of December 31, 2022 December 31, 2023, we have a total of 29 21 registered trademarks in the United States. We also have registered domain names for websites that we use in our business, such as www.meridianlink.com and other variations, including domains from acquisitions. Additionally, on February 15, 2022, the U.S. Patent and Trademark Office issued to MeridianLink U.S. Patent Number 11,250,505. The patent is titled “Optimizing Loan Opportunities in a Loan Origination Computing Environment” and relates to MeridianLink’s loan origination platforms. MeridianLink also has certain patents by assignment from its acquisition of StreetShares.



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We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost effective. Despite our efforts to protect our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented, or challenged. In addition, if we were to expand internationally, the laws of certain foreign countries may not protect our intellectual property rights to the same extent as laws in the United States. We expect that infringement claims may increase as the number of products and competitors in our market increase. In addition, to the extent that we gain greater visibility and market exposure as a public company, we face a higher risk of being the subject of intellectual property infringement claims from third parties. Any third-party intellectual property claims against us could significantly increase our expenses and could have a significant and negative impact on our business, results of operations, and financial condition.

**Human Capital Management**

We believe that our success in providing great products and support to our customers is due in large part to the drive, creativity, and overall strength of our workforce. One of our core business objectives is to foster an exceptional employee experience. We strive to provide programs and initiatives for our employees to help attract, motivate, and retain highly qualified talent. As of March 3, 2023 March 7, 2024, we had a total of 751 676 employees, all operating within the United States. None of our employees are represented by a labor union, and we have not experienced any work stoppages. We believe our employee relations are strong based on employee surveys and feedback. We are proud to have earned the Great Place to Work® certification in 2020, 2021, 2022, and 2022. 2023. In 2022, 2023, we were recognized as #54 on in the 2022 top 50 of the 2023 IDC Global FinTech 100 Rankings, and Octane, Southern California's leading accelerator organization, awarded us with the Deal of the Year in 2022 in recognition of our 2021 initial public offering, or IPO. Rankings. In 2022, 2023, we also received an International Business Award in the 2022 ACG Orange County Spotlight Award Achievement in Growth category, and received the HousingWire Tech 100 award for the fifth sixth time.

***Health Safety and Wellness***

The health and safety of our colleagues and anyone who enters our workplaces are paramount to us. As a result of the COVID-19 pandemic, we instituted a work-from-home policy beginning in 2020 to keep our employees safe in accordance with local and national health agency guidelines. We immediately created a COVID-19 committee consisting of executive leaders who communicated frequently regarding the status and impacts of COVID-19 and on our remote working policies while initiating new protocols across all offices. We established workplace health and safety standards based on guidance from local public health authorities. We also surveyed our employee base and found that our employees had a strong preference for remote working on a permanent basis. Therefore, we implemented a company-wide remote-first work strategy and have allowed employees to relocate to areas that they believe will provide a better quality of life for them and their families.

***Growth and Development***

We foster a learning culture where employees are empowered to drive their career progression through personal and professional development. We have partnered with LinkedIn Learning to provide a diverse range of virtual training, development programs, and on-demand resources that employees can use to excel in their careers and personal life. We also encourage employees to maintain relevant professional credentials and licensing and pay for required continuing education or other professional certification requirements. We are developing launched a company-wide wellness program that will launch in 2023 to encourage healthy habits and personal wellness for all of our employees, with a particular focus on mental health and well-being. Our program will include includes stress reduction programs and tools, nutrition education, fitness challenges, and incentives.



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***Compensation and Benefits***

Our compensation program is designed to attract, reward, and retain talented individuals who possess the skills necessary to support our business, contribute to our strategic goals, and create long-term value for our stockholders. We believe that our employees should have a strong work/life balance, develop and grow personally and professionally, and be able to save for their future. We provide employees with industry-competitive compensation and benefits, including retirement savings programs with matching contributions, the opportunity to invest in MeridianLink at a discount through our Employee Stock Purchase Plan, and medical, dental, vision, and life and disability plans. We evaluate both compensation and benefit offerings on an annual basis and make adjustments accordingly, as appropriate.



***Diversity, Equity, and Inclusion***

We believe that an equitable and inclusive environment consisting of diverse teams produces more creative solutions, results in better and more innovative products, and is important to our efforts to attract and retain key talent. We aim to incorporate diversity and inclusion into our policies and practices, employee training, and events. In 2022, 2023, we completed a variety of company initiatives in an effort to build a strong foundation around diversity and inclusion. These initiatives included a company-wide diversity survey and questions, training sessions, launching growing our Employee Resource Groups, analyzing our diversity metrics, and reviewing our internal processes for adherence to best practices. We expect to continue providing employee training on diversity, equity, and inclusion topics and to work with our Employee Resource Groups to host company-wide events and initiatives.

***Employee Engagement***

Listening to our employees is a core component of our employee engagement strategy. Being able to understand the needs, wants, preferences, and feedback of our employees is critical to the design of our employee programs. We hold regular all-hands company-wide updates to welcome new employees, celebrate milestone anniversaries, and provide important business updates. We survey our employees regularly through pulse-style surveys on a range of topics, as well as an annual survey conducted by a third-party organization. Our leadership team carefully considers the feedback received from these surveys and focuses on making changes to become a better place to work for our employees. We hold engagement events regularly, such as trivia contests, virtual happy hours and cookouts, cooking classes, guest entertainers, employee development sessions, and executive brown-bag lunches.



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Giving back to our communities is important to us. That is why every employee is given a paid day each year to volunteer for a 501(c)(3) charity of their choice. In 2022, we started volunteer events in the regions where we have the largest populations of employees to help give back and build connections for our employees, and we expect to continue to grow this program in 2023. each year.

**Available Information**

Our website is located at meridianlink.com, and our investor relations website is located at ir.meridianlink.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, including exhibits, and amendments to these reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Exchange Act are available free of charge on our investor relations website as soon as reasonably practicable after we file such material with, or furnish it to, the SEC. The SEC maintains a website at http://www.sec.gov that contains reports and other information regarding us and other companies that file materials with the SEC electronically. Also available on our investor relations website are our definitive proxy statements, charters of the committees of our board of directors, corporate governance guidelines, and code of business conduct and ethics. These documents are available free of charge to any stockholder upon request. We may use, and in some cases have previously used, our investor relations website, press releases, public conference calls and webcasts, blog posts on our website, as well as our social media channels, such as our LinkedIn page (www.linkedin.com/company/meridianlink), Twitter X (formerly Twitter) feed (@meridianlink), and Facebook page (www.facebook.com/MeridianLink/), as means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. The information contained on or accessible through the websites referenced in this Annual Report on Form 10-K is not incorporated by reference into this report, and links for these websites are intended to be inactive textual references only.



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**Item 1A. Risk Factors**

*Investing in our common stock involves substantial risks. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K,, including the financial statements and the related notes, before deciding to invest in our common stock. Any of the risk factors we describe below could have a material adverse effect on our business, financial condition, results of operations, cash flow, and prospects. The market price of our common stock could decline if one or more of these risks or uncertainties develop into actual events, causing you to lose all or part of your investment. Other risks, events, and uncertainties that we do not currently anticipate or that we currently deem immaterial may also affect our business. Certain statements contained in the risk factors described below are forward-looking statements. See the section titled "Special Note Regarding about Forward-Looking Statements" for more information.*





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**Summary of Risk Factors**

The following risk factor summary provides an overview of the inherent uncertainty investing in us presents. This summary does not contain all of the information that may be important to you, and you should read this risk factor summary together with the more detailed discussion of risks and uncertainties set forth following this section as well as elsewhere in this Annual Report on Form 10-K. The risks and uncertainties to which our business is subject include, but are not limited to, the following:

***Risks Related to Our Strategy and Industry***

- The mortgage lending market and the broader financial services industry in which our customers operate are subject to various economic factors (such as rising interest or inflation rates), the deterioration of which would directly affect our performance.
- Failure to retain or attract customers, innovate our platform and its capabilities, address technological requirements, or increase brand recognition may limit both growth and profitability.
- Opportunities to grow our business may be limited by inability to identify suitable partnerships, acquisitions, or new business opportunities, or to effectively integrate businesses we acquire.
- Changing dynamics, such as pricing pressure, new entrants, and customer preferences, within our highly-fragmented and competitive landscape may adversely affect our operations.

***Risks Related to Our Business and Operations***

- Any disruption in the performance or delivery of our software solutions, whether due to security compromises, third-party providers, or other unforeseeable circumstances, could affect brand perception, decrease demand, and subject us to substantial liability.
- Integration or implementation challenges could affect the functionality of our software solutions and delay revenue recognition.
- Challenges in measuring and tracking key operating metrics could affect our ability to consistently report results over time or develop long-term strategies.
- The seasonal and cyclical nature of our business, including our usage and volume-based pricing and sales process, could result in volatility in our operating results.
- Failure to retain or expand personnel, including management, sales, marketing, development, and support functions, to sustain our growth and infrastructure or failure to execute any restructuring plan, including realizing the anticipated benefits of such plan, may result in operational disruptions, reduced sales opportunities, and increased expenses.



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- Our success is dependent on our ability to retain and attract product partners to drive further volume through our platform.



***Risks Related to Legal and Regulatory Matters***

- Failures in data protection, privacy, and information security and intellectual property rights could critically impair our offerings and ability to conduct business.
- Failure to comply with laws and regulations as a technology provider to our customers who operate in a highly regulated industry, as well as failure to create solutions that assist our customers to comply with their regulatory requirements, could disrupt our operations and result in significant expense to alter and update our solutions.
- Changes in laws and regulations could affect our ability to compete, require us to change our pricing model, or result in additional charges booked to our balance sheet.

***Risks Related to Finance and Accounting***

- Fluctuations in performance and our inability to accurately forecast results may affect our market perception.
- Accounting treatments, such as revenue recognition or goodwill impairment, may cause fluctuations in earnings that do not fully reflect the underlying performance of our business.
- Our ability to recognize the benefits of deferred tax assets is dependent on future cash flows and taxable income, and therefore our use of those deferred tax assets may be limited.
- High levels of indebtedness, as well as the terms of our existing debt, or our inability to effectively access capital markets may restrict our ability to compete, react to changes in our business, and fund future needs.
- We have identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness, or if we identify additional material weaknesses in the future or are unable to maintain effective internal controls over financial reporting and disclosure controls and procedures, we may be unable to timely and accurately report our financial results.
- Changes in applicable tax laws, rules, or regulations could adversely affect our financial position.





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***Risks Related to Potential Conflicts of Interests and Related Parties***

- Thoma Bravo holds a controlling significant stake in our company, and their interests may conflict with ours and those of our other stockholders.

***Risks Related to Our Common Stock and Governance Structure***

- Market conditions, issuances of additional or preferred stock, and payments of dividends may result in dilution or otherwise affect our stockholders' return on investment.
- The consummation, suspension, or termination of our capital allocation strategies, including any stock repurchases, may affect our stock price, stock volatility, or liquidity.
- Delaware law and certain provisions in our charter and bylaws could restrict certain strategic activity or limit stockholder actions that may be beneficial or favorable to our stockholders.

**Risks Related to Our Strategy and Industry**

***Mortgage lending Lending volume is expected to be lower in 2023 than it was at the same point in 2020, 2021, or 2022 due subject to various economic factors, including increased mortgage interest rates, and lending volumes may remain low in 2024, which could adversely affect our business.***

Factors that adversely impact mortgage lending volumes include reduced consumer and investor demand for mortgages, loans, more stringent underwriting guidelines, decreased liquidity in the secondary mortgage market, supply chain shortages for goods subject to financing, high levels of unemployment, high levels of consumer debt, lower consumer confidence, changes in tax and other regulatory policies, and other macroeconomic factors.

In addition, mortgage interest rates rose from historic lows in 2022, are influenced by a number of factors, particularly monetary policy, and many economists predict that mortgage interest rates will not fall until the Federal Reserve meaningfully in 2023. Mortgage interest rates are influenced by a number lowers the Federal funds rate, which is within the range of factors, particularly monetary policy. 5.25% to 5.50% as of January 31, 2024. The Federal Reserve Bank has been raising and maintaining the Federal funds rate to combat higher than expected inflation in the United States, and began reducing its holdings of Fannie Mae and Freddie Mac mortgage-backed securities in the second quarter of 2022, each of which could cause mortgage interest rates to rise further. Further Increases in mortgage interest rates have reduced the volume of new mortgages originated, and further increases in mortgage interest rates could reduce the volume of new mortgages originated, in particular the volume of mortgages refinanced. mortgage and non-mortgage loans originated.





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The lower levels of residential mortgage loan market volume in 2022 2023 as compared to 2020, 2021, and 2021 2022 levels required us to increase either our share of loan volume, our revenues per loan effected module through use increased cross-sell of our solutions, or both, in order to maintain our financial performance. Any additional decrease in residential mortgage loan market volumes would exacerbate our need to increase either our share of loan volume, our revenues per loan effected module through use increased cross-sell of our solutions, or both. We cannot assure you that we will be successful in our efforts to increase either our share of loan volume, our revenues per loan effected module through use increased cross-sell of our solutions, or both, which could materially adversely affect our business.

In addition, increases in interest rates and supply chain shortages for goods subject to financing generally may also negatively impact consumer demand for loans other than mortgages. If demand for non-mortgage loans also decreases as a result of increased interest rates, our business and operating results could be materially adversely affected.

***If we fail to increase the number of our customers or retain existing customers, our business may be harmed.***

Our growth depends in large part on increasing the number of customers using our software solutions. To attract customers to our solutions, we must convince them that the utility of, and access to, our software solutions can assist them in their digital transformations, help create new revenue streams, and increase engagement with their customers. In particular, we must enhance the features and functionality of our software solutions and convince financial institutions of the benefits of our software solutions and encourage them to switch from competing loan origination, digital lending, and data analytics solutions or to forgo using more traditional processes and procedures, including (with respect to the loan origination business) paper, facsimile, courier, mail, and email processing.

Due to the fragmented nature of the consumer lending (including mortgage) and CRA industries, many industry participants may not be familiar with our software solutions and the benefits of our solutions. Any consolidation in our industry could also decrease our market advantage and may impact our competitive position. Some of our current and potential customers have developed, and may continue to develop, their own proprietary technologies and may one day become our competitors. In particular, some of our customers and potential customers have increasing market share in their



respective markets that could be leveraged to introduce, directly or indirectly, alternative solutions to the use of our services in the short term with the potential to replace our solutions within with their organizations in the long term. own technology or even become our competitors. As our customers increase their spend with us, there may be internal pressure to evaluate and potentially create their own internal solutions as a cost-savings measure. We cannot assure you that we will be successful in attracting new customers or retaining existing customers, and increased competition from both competitors and any internal development efforts by our current customers could harm our business.

Additionally, with increased competition, existing customers may decide not to continue to use our software solutions in favor of other alternatives for financial or other reasons. Customer attrition could impact the performance of our business in



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the future. We have agreements in place with various product partners with respect to the integration between their businesses and our solutions, such as e-signing vendors, insurance providers, dealership integrators, credit card processors, home banking systems, and settlement service tools. Most of these contracts are not long term or are subject to termination rights. An unexpected termination, or a failure to renew, of a significant number of our agreements or relationships with these platform partners could have an adverse effect on our business as our customers may find our solutions less valuable without these integrations. If we lose existing platform partners due to terminations or failures to renew our agreements, we would also lose revenues associated with such platform partners, which could have a material adverse impact on our results of operations and financial condition.

In addition, our recent development efforts have been focused on our cloud-based offerings, and, as a result, we have not invested in upgrading certain legacy products or developing added functionality for them, and may not invest in certain products in the future, including legacy products acquired through past strategic transactions, such as the acquisition of CRIF in 2018. As a result, customers using these legacy products may determine that these legacy offerings no longer satisfy their needs. If we are unsuccessful in transitioning these customers to our newer, cloud-based offerings, these customers may cease doing business with us. Therefore, we must continue to demonstrate to our customers that using our solutions is the most effective and cost-efficient way to maximize their results, and if we are not successful, our business and results of operations could be materially and adversely impacted.



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***We may not accurately predict the long-term rate of customer subscription renewals or adoption of our software solutions, or any resulting impact on our revenues or operating results.***

Our customers have no obligation to renew their subscriptions for our software solutions after the expiration of the initial or current subscription term, and our customers, if they choose to renew at all, may renew for shorter subscription terms, or on less favorable usage-based or volume-based pricing terms. Since we have only been tracking our retention rates since November of 2020, we have limited historical data with respect to rates of customer subscription renewals and cannot be certain of anticipated renewal rates. Our renewal rates may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our pricing or our software solutions or their ability to continue their operations or spending levels. Strategic acquisitions can further complicate our ability to predict customer subscription renewals. If our customers do not renew their subscriptions for our software solutions on similar pricing terms, our revenues may decline and our business could suffer.

Additionally, as the markets for our solutions develop, or as new or existing competitors introduce new solutions or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers, or we may be unable to attract new customers based on the same subscription models that we have used historically or at fee levels that are consistent with our pricing models and operating budget. Moreover, large or influential customers may demand more favorable pricing or other contract terms from us. In addition, our pricing strategy for new solutions may prove to be unappealing to our potential customers, and our competitors could choose to bundle certain solutions and services competitive with ours. If any of these were to occur, we may in the future be required to change our



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pricing model, reduce our prices, or accept other unfavorable contract terms, any of which could adversely affect our revenues, gross margin, profitability, financial position, cash flow, or growth prospects.

***If we cannot continue to innovate our platform and its capabilities or address evolving technological requirements, our software solutions could become obsolete or less competitive and our revenue growth rate may be reduced.***

The market for our software solutions is characterized by rapid technological advancements, changes in customer requirements and technologies, frequent new solution introductions and enhancements, and changing regulatory requirements. The life cycles of our software solutions are difficult to estimate. Rapid technological changes and the introduction of new products and enhancements by new or existing competitors or large financial institutions could undermine our current market position. Other means of digital or virtual consumer lending and banking may be developed



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or adopted in the future, and our software solutions may not be compatible with these new technologies. In addition, the technological needs of, and services provided by, the banks, credit unions, mortgage lenders, specialty lending providers, and CRAs that we endeavor to serve may change if they or their competitors offer new services to account holders. Maintaining adequate research and development resources to meet the demands of the market is essential. The process of developing new technologies and software solutions is complex and expensive. The introduction of new products by our competitors, the market acceptance of competitive products based on new or alternative technologies, or the emergence of new technologies or products in the broader financial services industry could render our solutions obsolete or less effective.

The success of any enhanced or new software solution depends on several factors, including timely completion, adequate testing, and market release and acceptance of the solution. Any new software solutions that we develop or acquire may not be introduced in a timely or cost-effective manner, may contain defects, or may not achieve the broad market acceptance necessary to generate significant revenues. In addition, we must continuously develop, market, and sell new features and functionalities to our existing software solutions that respond to the changing needs of our customers and offer better functionality than competing offerings from other providers. If we are unable to anticipate customer requirements or work with our customers successfully on implementing new software solutions or features in a timely manner or enhance our existing software solutions to meet our customers' requirements, our business, growth prospects, and operating results may be adversely affected.

If we fail to develop, maintain, and enhance our brands, our ability to expand our business, operating results, and financial condition could be adversely affected.

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We believe that maintaining and enhancing the brands associated with our solutions is important to support the marketing and sale of our existing and future solutions to new customers and to increase adoption of our solutions by existing customers. Successfully maintaining and enhancing our brands will depend largely on the effectiveness of our marketing and demand generation efforts, our ability to provide reliable solutions that continue to meet the needs of our customers at



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***We have entered into, and may in the future enter into, partnership agreements with third parties for reseller and referral services, which may adversely affect our ability to generate revenues.***

We have entered into and may seek to enter into additional collaborations or partnerships with third parties for reseller and referral services to promote our products and services. Our promotion activities may not generate brand awareness or yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brands, our services. While we are not substantially dependent upon referrals from any partner, our ability to achieve significant revenue growth in the future will depend upon continued referrals from our partners and growth of the network of our referral partners. Should we seek to collaborate with a third party with respect to a prospective reseller program, we may not be able to locate a suitable partner or to enter into an agreement on commercially reasonable terms or at all. Even if we succeed in securing partners for reseller services, such as the arrangement we have entered into with Jack Henry & Associates, Inc., we have limited control over the time and resources that our partners may dedicate to such services. These partnerships pose a number of risks, including the following:

- partners are under no contractual obligation to continue to refer business to us and further may terminate our reseller or referral arrangement, or may decide not to expand their relationship with us;
- partners may not have sufficient resources, or may decide not to devote the necessary resources due to internal constraints such as budget limitations, lack of human resources, promoting or a change in strategic focus; or selling our solutions;
- partners do not have exclusive relationships with us and may decide to pursue a competitive product developed outside of the collaboration arrangement. arrangement; and
- our competitors may be effective in providing incentives to our partners to favor their software products or prevent or reduce subscriptions to our software solutions.

As a result of the foregoing risks and others, partnership agreements may not lead to successful reseller programs. We also face competition in seeking out partners. partners, and establishing and retaining qualified partners and training them with respect to our software solutions requires significant time and resources. If we are unable to secure new partnerships that achieve the partner's objectives and meet our expectations, we may be unable to generate meaningful revenues.



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revenues, and we may lose sales opportunities if we are unable to devote significant time and resources to establish and train partners or if we are unable to maintain successful relationships with them.

***We may acquire or invest in companies, or pursue business partnerships, which could prove difficult to integrate, divert our management's attention, or dilute stockholder value, and we may be unable to realize the expected benefits of such acquisitions, investments, or partnerships.***

From time to time, we We have completed, and may in the future, consider potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products, and other assets. For example, in November 2022, we acquired OpenClose, a mortgage lending technology provider, with a particular focus on supporting depository institutions, and in April 2022, we acquired StreetShares, a financial technology company that provides digital small business lending technology to banks and credit unions. We may also enter into relationships with other businesses to



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expand our platform capabilities, which could involve preferred or exclusive licenses, additional channels of distribution, discount pricing, or investments in other companies. Negotiating these transactions can be time-consuming, difficult, and expensive, and our ability to close these transactions may be subject to approvals that are beyond our control. If an acquired business fails to meet our expectations, our operating results, business, and financial position may suffer. We may not be able to find and identify desirable acquisition targets, we may incorrectly estimate the value of an acquisition target, and we may not be successful in entering into an agreement with any particular target. We may not integrate an acquired company smoothly, successfully, or within our budgetary expectations and anticipated timetable. If we are successful in acquiring additional businesses, we may not achieve the anticipated benefits from the acquired business due to a number of factors, including:

- our inability to integrate or benefit from developed technologies or services;
- unanticipated costs or liabilities associated with the acquisition;
- incurrence of acquisition-related costs;
- difficulty, including unanticipated delays, costs, or inefficiencies associated with, integrating the operational and compliance policies and practices, technology, accounting systems, operations, and control environments of the acquired business and integrating the acquired business or its employees into our culture;
- difficulties and additional expenses associated with supporting legacy products and infrastructure of the acquired business;



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- difficulty retaining or converting the customers of the acquired business to our software solutions and contract terms, including disparities in subscription terms, or the acquisition of existing customer agreements with less than favorable terms;
- difficulty retaining or leveraging partnerships of the acquired business and contract terms;
- additional costs for the support or professional services model of the acquired company;
- diversion of management's attention and other resources;
- adverse effects to our existing business relationships with business partners and customers;
- the issuance of additional equity securities that could dilute the ownership interests of our stockholders;
- incurrence of debt on terms unfavorable to us or that we are unable to repay;
- incurrence of substantial liabilities;
- difficulties retaining key employees of the acquired business; and
- adverse tax consequences, substantial depreciation, or deferred compensation charges.



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Accordingly, we may fail to realize some or all of the anticipated benefits of the acquisition, such as increase in our scale, diversification, cash flows, and operational efficiency. In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations.



***The markets in which we participate are intensely competitive and highly fragmented, and pricing pressure, new technologies, or other competitive dynamics could adversely affect our growth, business, results of operations, and future prospects.***

We have experienced growth in recent periods. In future periods, we may not be able to sustain net revenue growth consistent with recent history, or at all. We believe our net revenue growth depends on several factors, including, but not limited to, our ability to add new customers and to expand our existing customers' usage of our solutions. The markets in which we compete, however, are highly competitive, fragmented, evolving, complex, and defined by rapidly changing technology and customer demands. We currently compete with providers of technology and products in the financial services industry, primarily point solution vendors that focus on building functionality that competes with specific components of our solutions. From time to time, we also compete with systems internally developed by financial institutions.

Many existing and potential competitors enjoy substantial competitive advantages, such as:

- larger sales, development, support, and marketing budgets and resources;
- the ability to bundle competitive offerings;
- greater brand recognition and longer operating histories;
- more extensive customer bases and broader customer relationships;
- lower labor and development costs;
- greater resources to make acquisitions;
- larger and more mature intellectual property portfolios; and
- substantially greater financial, technical, management, and other resources.

Further, one of our competitors may establish or strengthen a cooperative relationship with, or acquire one or more software application, data analytics, compliance, or network vendors. We may also face competition from new companies entering our markets, which may include large established businesses that decide to develop, market, or resell cloud-based banking technology, acquire one of our competitors, or form a strategic alliance with one of our competitors. In addition, new New companies entering our markets may choose to offer cloud-based consumer lending and related products at little or no additional cost to the customer by bundling them with their existing products, including adjacent financial services



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technologies. In addition, our current and potential customers have developed, and may continue to develop, their own in-house solutions that could replace our solutions within their organizations.



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We expect competition to intensify in the future, and these competitive pressures in our markets or our failure to compete effectively may result in fewer customers, increased pricing pressure, reduced revenues and gross profit, increased sales and marketing expenses, and loss of market share. Any failure to meet and address these factors could materially and adversely affect our business, operating results, and financial condition.

***If the market for cloud-based solutions develops more slowly than we expect or changes in a way that we fail to anticipate, our sales would suffer and our results of operations would be adversely affected.***

We do not know whether our prospective customers will continue to adopt cloud-based financial products such as our software solutions or whether the market will change in ways we do not anticipate. Many potential customers have invested substantial personnel and financial resources in legacy software, and these institutions may be reluctant, unwilling, or unable to convert from their existing systems to our solutions. Furthermore, these potential customers may be reluctant, unwilling, or unable to use cloud-based financial solutions due to various concerns such as the security of their data and reliability of the delivery model. These concerns or other considerations may cause prospects to choose not to adopt cloud-based financial products such as ours or to adopt them more slowly than we anticipate, either of which would adversely affect us. Our future success also depends on our ability to sell additional solutions and functionality to our current and prospective customers. As we create new solutions and enhance our existing solutions to meet anticipated market demand, these solutions and enhancements may not be attractive to customers. In addition, promoting and selling new and enhanced functionality may require increasingly costly sales and marketing efforts, and if customers choose not to adopt this functionality, our business and results of operations could suffer. If potential customers are unwilling or unable to transition from their legacy systems, or if the demand for our solutions does not meet our expectations, our results of operations and financial condition will be adversely affected.



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***We derive all of our revenues from customers in the financial services industry, and any downturn or consolidation or decrease in technology spend in the financial services industry could adversely affect our business.***

All of our revenues are derived from customers in the financial services industry, an industry which has experienced significant pressure in recent years due to economic uncertainty, low interest rates, liquidity concerns, and increased



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regulation. In the past, financial institutions have experienced consolidation, distress, and failure. It is possible these conditions may reoccur.

Recently, concerns have arisen with respect to the financial condition of a number of banking organizations in the United States, in particular those with exposure to certain types of depositors and portfolios of investment securities in the face of rapid interest rate increases. In March 2023, after being closed by their respective state authorities, the Federal Deposit Insurance Corporation took control of Silicon Valley Bank and Signature Bank due to liquidity concerns, and a number of other financial institutions experienced turbulence and a precipitous decline in market value. It is possible these conditions may persist, deteriorate or reoccur, and may negatively impact our results of operations and financial condition.

If any of our customers merge with or are acquired by other entities, such as financial institutions that have internally developed technology products or that are not our customers or use our software solutions less, we may lose business. Additionally, changes in management of our customers could result in delays or cancellations of the implementation of our software solutions. Consolidation within the financial services industry could also produce a smaller number of large lead to fewer, but larger customers, which could increase their who may have increased bargaining power, and which could lead to lower prices or more favorable terms for our customers. Our business may also be materially and adversely affected by weak economic conditions in the financial services industry. industry generally. Any downturn in the financial services industry may cause our customers to reduce or delay their spending on technology or cloud-based financial products or to seek to terminate or renegotiate their contracts with us.

Additionally, a prolonged economic slowdown may result in reduced consumer demands for loans and reduced application volume for credit, employment, tenant, or other forms of screening, which would negatively impact our revenues from existing customers due to the volume-based aspect of our customer agreements. Due to recent levels of inflation, the U.S. Federal Reserve has begun to increase interest rates, which could also reduce consumer demand for loans and materially and adversely impact our business. Moreover, even if the overall economy is robust, economic fluctuations caused by factors such as the U.S. Federal Reserve changing interest rates or otherwise managing market liquidity may cause potential new customers and existing customers to become less profitable and therefore forego or delay purchasing our software solutions or reduce the amount of spend with us, which would also materially and adversely affect our business.



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**Risks Related to Our Business and Operations**

***Uncertain or weakened economic conditions, including as a result of increasing interest rates, and rising inflation, and the COVID-19 pandemic, may continue to heighten many of our known risks and has affected, continues to affect, and may adversely affect our industry, business, and results of operations.***

Our overall performance depends on economic conditions, which are beyond our control and may be difficult or impossible to forecast. The United States and other key international economies have experienced significant economic and market downturns and periods of uncertainty, including recently in connection with increasing interest rates, and rising inflation, and



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the COVID-19 pandemic, and are likely to experience additional cyclical downturns from time to time, in which economic activity is impacted by falling demand for a variety of goods and services, restricted credit, poor liquidity, inflation, fluctuations in interest rates, reduced corporate profitability, volatility in credit and equity markets, bankruptcies, and overall uncertainty. Macroeconomic developments can arise suddenly, as did the conditions associated with the COVID-19 pandemic and fluctuating rates of inflation, and the full impact can be difficult to predict. Adverse macroeconomic conditions, including inflation, slower growth or recession, changes to fiscal and monetary policy, tighter credit, higher or fluctuating interest rates, high unemployment, and currency fluctuations have in the past and may in the future adversely impact the rate of technology spending generally and could adversely affect our customers' ability or willingness to purchase our software solutions, delay prospective customers' purchasing decisions, reduce the value or duration of their subscriptions or affect renewal rates, or impact the demand for our customers' services, any of which could adversely affect our results of operations. As a result, our operating results are sensitive to changes in macroeconomic conditions that impact our customers' technology spending and overall usage, volume, and type of transactions handled or processed using our software solutions.

COVID-19 has impacted, and may continue to impact, our business operations, employees, customers, their clients, the industries in which our customers operate, partners, suppliers, and communities. We have taken certain measures, and will continue to implement applicable steps, to manage the evolving risks and uncertainties. We moved to a fully remote work-from-home work model in 2020 and plan to continue operating as remote-first. In 2022, we allowed travel for our employees based on business need and some on-site meetings, and, in May 2022, we conducted our first in-person user forum since the COVID-19 pandemic began, and we expect to hold in-person events in 2023, as well. including another user forum. In connection with in-person activity, we implemented safety precautions, including travel and in-person testing requirements.

While we have been operating effectively under our remote work model, and do not foresee it changing, However, we cannot be certain that a prolonged remote work model will continue to be effective or will not introduce new operational difficulties that could result in harm to our business. Our shift to remote work has caused us to assess our IT security measures, identify any vulnerabilities, and enhance protections against unauthorized access to our network and systems. We cannot



guarantee these private work environments and electronic connections to our work environment have the same robust security measures deployed in our physical offices. While we have not yet experienced a network breach or intrusion as a result of moving to a remote work model, we are unable to unequivocally affirm that the protective measures we have taken will remain sufficient given the ever-changing threat landscape, and any such related security compromise that may occur could materially and adversely impact our business, results of operations, or reputation.

We continue to evaluate, and adjust, our hiring plans and investment spending accordingly. We are monitoring the potential effects of changed rate of spending on software solutions, purchasing decisions, delayed payments, and supply chain shortages on our business. To the extent economic volatility including as a result of the COVID-19 pandemic, adversely



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affects our business, results of operations, financial condition, or liquidity, many of the other risks described in this “Risk Factors” section may also be heightened.

***A breach cybersecurity incident or compromise of our security measures or those of third parties we rely on could result in unauthorized access to or other compromise of customers’ data or customers’ clients’ data, which may materially and adversely impact our reputation, business, and results of operations.***

Certain elements of our business and software solutions, particularly our origination and analytics solutions, involve the processing and storage of personally identifiable information, or PII, such as banking information and PII of our customers’ clients. We may also have access to PII during various stages of the implementation process of our solutions or during the course of providing customer support. Furthermore, as we develop additional functionality, we may gain greater access to PII and process additional PII. While we maintain policies, procedures, and technological safeguards designed to protect the confidentiality, integrity, and availability of this information and our information technology systems, we cannot entirely eliminate the risk of improper, unlawful, or unauthorized access to, or disclosure, alteration, corruption, unavailability, or loss of PII or other data that we process or maintain, other security events that impact the integrity or availability of PII or our systems and operations, or the related costs we may incur to mitigate the consequences from certain events such as the following:

- third-party social engineering attempts to fraudulently induce our employees, partners, or customers to disclose sensitive information;
- malicious intrusions and attacks by individuals or groups of hackers and sophisticated organizations, such as state-sponsored organizations or nation-states, to launch coordinated attacks, such as ransomware and distributed denial-of-service attacks;



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- cyberattacks such as ransomware on our internally built infrastructure on which many of our solutions operate, or on third-party cloud-computing platform providers;
- vulnerabilities resulting from the configuration, implementation, enhancement, or update of our software solutions, as well as in the products or components across the broad ecosystem that our solutions operate in conjunction with and are dependent on;
- vulnerabilities or breach of those third-party providers (cloud, software, data center, and other critical technology vendors) security measures or a failure in our third-party providers’ data security procedures, measures, and policies;
- vulnerabilities existing within new technologies and infrastructures, including those from acquired companies;
- attacks on, or vulnerabilities in, the many different underlying networks and services that power the Internet that our products depend on, most of which are not under our control or the control of our vendors, partners or customers;



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and

- employee or contractor human errors or intentional insider threats that compromise our security systems.

Currently, we mitigate these risks, to the extent possible, by maintaining and enhancing business, privacy, and data governance policies, an information security program, and an incident response and disaster recovery program, as well as participating in third-party audits. Our board of directors formed a cybersecurity committee to delegate oversight of risks in this area, and our board of directors, cybersecurity committee, and executive leadership are briefed at least quarterly on our cybersecurity policies, practices, and efforts, and any cybersecurity events, on a routine basis and as appropriate. When engaging third-party providers who have access to our systems, applications or data, we assess their policies and procedures relating to cybersecurity and privacy. In addition, we anticipate expending increasing expenses and other resources in an effort to identify, prevent, and respond to actual or potential security breaches. Although we have developed systems and processes designed to protect our customers' clients' sensitive



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data, we can provide no assurances that such measures will provide absolute security or that a material breach cybersecurity incident will not occur. Mitigation efforts may be impacted by factors such as:

- changes to, and complexity of, techniques used to breach, obtain unauthorized access to, or sabotage IT systems and infrastructure, which generally are not identified until after an initial launch against a target, resulting in a reduced ability to anticipate or implement adequate preventive measures;
- continued refinement, updating, and replacement of our internal systems and technology, particularly when adopting new technologies and new methods of sharing data and communicating internally and with customers and partners;
- the acquisition of new companies and their solutions, requiring us to integrate, improve, and secure different or more complex IT environments and technologies;
- authorization by our customers to third-party technology providers to access their clients' data, which may lead to our customers' inability to protect their data that is stored on our servers;
- our limited control over our customers or third-party technology providers, or the processing of data by third-party technology providers, which may not allow us to maintain the integrity or security of such transmissions or processing; and
- increased risk of security compromises associated with our employees working remotely, as they have since the beginning of the COVID-19 pandemic. remotely.

A security breach cybersecurity incident or compromise could result in operational disruptions, loss, compromise, unauthorized use of, or access to, alteration, or corruption of customer data or customers' client data or data we rely on to provide our software solutions, including our analytics initiatives and offerings, that impair our ability to provide our software



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solutions and meet our customers' requirements. Such impairment would result in decreased revenues and otherwise materially negatively impact our financial results. Also, the occurrence, or perception of an occurrence, of any of these events could results in a loss of confidence in the security of our services, irreparable reputational damage, a decline in current and prospective customer use of our software solutions, business disruptions, increases in cybersecurity insurance premiums, and allocation of significant financial and operational resources in response, including repairing system damage, increasing security protection costs by deploying additional personnel and protection technologies, and defending against and resolving legal and regulatory claims and proceedings. The detection, prevention, and remediation of known or potential security vulnerabilities, including those arising from third-party hardware or software, may result in additional financial burdens due to additional direct and indirect costs, such as additional infrastructure capacity spending to mitigate any system degradation and the reallocation of resources from development activities. Furthermore, data security breaches cybersecurity incidents and compromises could expose us to legal, regulatory, and financial exposure and liability, notification requirements, third-party third-



party claims and lawsuits, indemnification, or other claims from customers and other third parties, regulatory investigations or proceedings, fines, or other actions or liabilities, which could materially and adversely affect our business and results of operations. In addition, some of our customers contractually require notification of data security breaches cybersecurity incidents or compromises and include representations and warranties in their contracts with us that our software solutions comply with certain legal and technical standards related to data security cybersecurity and privacy and meets certain service levels. In certain of our contracts, a data security breach cybersecurity incident or compromise or operational disruption impacting us or one of our vendors, or system unavailability or damage due to other circumstances, may constitute a material breach of contract and give rise to a customer's right to terminate their contract with us or may cause us to be liable for certain monetary penalties, including as a result of a failure to meet service level agreements.

As of the date of this Annual Report on Form 10-K, we have not experienced any material impact to the business or operations resulting from information or cybersecurity attacks; however, we and our third-party vendors have experienced non-material incidents in the past, and because of the frequently changing nature of attack techniques, along with the increased volume and sophistication of the attacks, there is the continued potential for us to be adversely impacted. This impact could result in reputational, competitive, operational or other business harm, as well as financial costs and regulatory action. We maintain cybersecurity insurance in the event of an information security or cyber incident, however, the coverage may not be sufficient to cover all financial losses. In these circumstances, it may be difficult or impossible to cure such a breach cybersecurity incident or compromise in order to prevent customers from potentially terminating their contracts with us. Furthermore, although our customer contracts typically include limitations on our potential liability, there can be no assurance that such limitations of liability would be adequate. We also cannot be sure that our existing general liability insurance coverage and coverage for errors or omissions will be available on acceptable terms or in sufficient amounts to cover one or more claims or that our insurers will not deny or attempt to deny coverage as to any future claim. The successful assertion of one or more claims against us, the inadequacy or denial of coverage under our insurance policies, litigation to pursue claims under our policies, or the occurrence of changes in our insurance policies, including



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premium increases or the imposition of large deductible or coinsurance requirements, could materially and adversely affect our business and results of operations.

***Defects, errors, or other performance problems in our software solutions could harm our reputation, result in significant costs to us, impair our ability to sell our software solutions, and subject us to substantial liability.***

Our software solutions are complex and, may contain in the past, have contained defects, viruses, or errors when implemented or when new functionality is released. Such defects or disruptions could be the result of undetected vulnerabilities in third-party supplied software and technologies, bug fixes or upgrades, whether in connection with day-to-day operations or otherwise, or employee, contractor, or other third-party acts or inaction. Despite extensive testing, from time to time we have discovered, and may in the future discover, defects or errors in our software solutions. We may experience temporary system interruptions, either to our solutions as a whole, individual software solutions or groups thereof, or to some or all of our software hosting locations, for a variety of reasons, including network failures, power failures, software errors, or an overwhelming number of users trying to access our software solutions during periods of strong demand. Defects, errors, outages, or other performance problems or disruptions in our software solutions or service could be costly for us, damage our customers' businesses, result in loss of credibility with current or potential customers or partners, and harm our reputation, any of which could result in a material adverse effect on our business, operating results, and financial condition. In addition, our customers could seek to terminate their contracts, elect not to renew their subscriptions, delay or withhold payment, or make claims against us.

Because we are dependent on third parties for the implementation and maintenance of certain aspects of our systems and because some of the causes of system interruptions may be outside of our control, we may not be able to remedy such interruptions in a timely manner, if at all. As we rely heavily on our servers, computer, and communications systems and the Internet to conduct our business, any of these actions could result in liability, lost business, increased insurance costs, difficulty in collecting accounts receivable, costly litigation, or adverse publicity. Errors, defects, or other problems could also result in reduced sales or a loss of, or delay in, the market acceptance of our software solutions.

***If we are unable to effectively integrate our software solutions with other systems, products, or other technologies used by our customers and prospective customers, or if there are performance issues with such third-party systems, products, or other technologies, our software solutions will not operate effectively and our operations will be adversely affected.***

The functionality of our software solutions depends on our ability to integrate with other third-party systems, products, and other technologies used by our customers. Certain providers of these third-party systems, products, or other technologies also offer products that are competitive with our software solutions. These products may have an advantage over ours if





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customers using their software are better able to integrate with their own software. In addition, these third-party providers may be able to bundle their competitive products with other applications used by our customers and prospective customers at favorable pricing.

In addition, some of our competitors may be able to disrupt the operations or compatibility of our solutions with their products or services or exert strong business influence on our ability to, and terms on which we, provide our solutions. For example, core banking system companies provide critical back-end services to financial institutions. If these core banking system companies seek to compete with us in the markets we target or make it more difficult for us to integrate our solutions with their offerings, our business and results of operations could be materially and adversely affected. We do not have formal arrangements with many of these all third-party providers regarding our access to their APIs to enable these customer integrations.

Our business may be harmed if any of our third-party providers:

- change the features or functionality of their applications and platforms in a manner adverse to us;
- discontinue or limit our software solutions' access to their systems or other technologies;
- terminate or do not allow us to renew or replace our existing contractual relationships on the same or better terms;
- modify their terms of service or other legal terms or policies, including fees charged to, or other restrictions on, us or our customers;
- establish exclusive or more favorable relationships with one or more of our competitors, or acquire one or more of our competitors and offer competing services; or
- otherwise have or develop their own competitive offerings.



Third-party services and products are constantly evolving. We may not be able to modify our solutions to assure compatibility with that of other third parties as they continue to develop or emerge in the future or make such modifications in a timely and cost-effective manner. Such changes could limit or prevent us from integrating our software solutions with these third-party systems, which could impair the functionality of, prohibit the use of, or limit our ability to sell our software solutions to customers. If we are not permitted or able to integrate with such third-party technologies as a result of changes to, or third parties restricting our access to, the technologies during the terms of existing customer agreements, we may not be able to meet our contractual obligations to customers who use such third-party software. Should any of our competitors modify their products or standards in a manner that degrades the functionality of our solutions or gives preferential



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treatment to our competitors or competitive products, whether to enhance their competitive position or for any other reason, the interoperability of our products with these products could decrease, and our business, results of operations, and financial condition would be harmed. In addition, if any third-party technology providers experience an outage, our software solutions integrated with such technology will not function properly or at all, and our customers may be dissatisfied with our software solutions. If the technology of such third-party providers has performance or other problems, such issues may reflect poorly on us, and the adoption and renewal of our software solutions and our business may be harmed. Although our customers may be able to switch to alternative technologies if a provider's services were unreliable or if a provider were to limit such customer's access and utilization of its data or the provider's functionality, our business could nevertheless be harmed due to the risk that our customers could reduce their use of our software solutions.

***As the number of customers that we serve increases, we may encounter implementation challenges, and we may have to delay revenue recognition for some complex engagements, which would harm our business and operating results.***

We may face unexpected implementation challenges related to the complexity of our customers' implementation and integration requirements. Our implementation expenses increase when customers have unexpected data, integrations, hardware, or software technology challenges or complex or unanticipated business requirements. In addition, certain of our customers require complex acceptance testing related to the implementation of our software solutions. Further, because we do not fully control our customers' implementation schedules, implementation issues may occur if our customers do not allocate the internal resources necessary to meet implementation timelines or if there are unanticipated implementation delays. Any difficulties or delays in implementation processes could cause customers to delay or forego future purchases of our software solutions or require us to delay revenue recognition under the related customer agreement longer than expected, either of which would adversely affect our business, operating results, and financial condition.



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***If we fail to offer high-quality customer support or fail to meet our service level commitments, we could be obligated to provide credits or refunds or face contract terminations, which could adversely affect our business, operating results, reputation and financial condition.***

Certain Our customers rely on our customer support services to resolve issues and realize the full benefits provided by our solutions. High-quality support is also important to maintain and drive further adoption by our existing customers. If we do not help our customers quickly resolve issues and provide effective ongoing support or if our support personnel or methods of providing support are insufficient to meet the needs of our customers, our ability to retain customers, increase adoption by our existing customers, and acquire new customers could suffer, and our reputation with existing or potential customers could be harmed. If we are not able to meet the customer support needs of our customers during the hours that we currently provide support, we may need to increase our support coverage and provide additional support, which may reduce our profitability.

Additionally, certain of our agreements with our customers contain service level commitments. If we are unable to meet the stated service level commitments or suffer extended periods of unavailability for our solutions, we may be contractually



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obligated to provide these parties with service credits or refunds. In addition, we could face contract terminations, in which case we would be subject to a loss of future revenues. Our revenues could be significantly affected if we suffer unexcused downtime under our agreements with our customers and partners. Further, any extended service outages could adversely affect our reputation, revenues, and operating results.

***Certain of our key operating metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.***

We track certain key operating metrics using internal tools, which have certain limitations. In addition, we rely on data received from third parties, including industry forecast reports, to track certain performance indicators. We have only a limited ability to verify data from both of these sources. Our methodologies for tracking metrics have changed, and may also in the future continue to change, over time, which could result in changes to the metrics we report. If we under count or over count performance due to the internal tools we use or issues with the data received from third parties, or if our internal tools contain errors, the data we report may not be accurate or comparable with prior periods. In addition, limitations, changes or errors with respect to how we measure data may affect our understanding of certain details of our business, which could affect our longer-term strategies.

If our performance metrics are not, or are not perceived to be, accurate representations of our financial or operational performance, if we discover material inaccuracies in our metrics, or if we can no longer calculate any of our key performance metrics with a sufficient degree of accuracy and cannot find an adequate replacement for the metric, our business, operating results, and financial condition could be adversely affected.



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***Our usage and volume-based pricing can cause revenue fluctuation and may adversely affect our business and operating results.***

Our customer relationships are generally conducted in accordance with the terms of multi-year contracts that, among other things, may provide for minimum purchases and specified levels of pricing based on the volume of loans, applications, or searches conducted or processed during the applicable billing period. These contractual features are key determinants of profitability. Certain of our contracts provide for contractually scheduled price changes. From time to time, we also negotiate pricing or other changes with our existing customers that include, but are not limited to, extending or renewing a contract or adjusting minimum volumes. Our usage and volume-based pricing, which is seasonal and cyclical, can cause our revenues to fluctuate which could affect our business. Additionally, our usage and volume-based pricing can be negatively impacted by macroeconomic trends, which may disproportionately impact our revenues and operating results.

We depend on satisfied customers to succeed and, in certain instances, have aligned our financial goals with those of our customers. Our historical contracts are subject to de minimis minimum commitments with certain of our customers, who may be less willing or able to accommodate modifications to our contracts given their own business constraints. Such minimum commitment obligations may not be cost-effective or provide positive returns.



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***Our sales cycle can be unpredictable, time-consuming, and costly, which could harm our business and operating results.***

Our sales process involves educating prospective customers and existing customers about the use, technical capabilities, and benefits expected outcomes of our software solutions. Prospective customers often undertake a prolonged evaluation process, which typically involves not only our software solutions but also those of our competitors, and typically lasts from six to nine months or longer. We may spend substantial time, effort, and money on our sales and marketing efforts without any assurance that our efforts will produce any sales. It is also difficult to predict the level and timing of sales opportunities that come from our referral partners. Events affecting our customers' businesses may occur during the sales cycle that could affect the size or timing of a purchase, contributing to more unpredictability in our business and operating results. As a result of these factors, we may face greater costs, longer sales cycles, and less predictability in the future.

***If we fail to effectively expand our sales and marketing capabilities and teams, including through partner relationships, or if we fail to develop, maintain and enhance our brands, we may not be able to increase our customer base and achieve broader market acceptance of our software solutions.***

While we expect to continue to grow headcount in our sales and marketing teams over the long-term, in February 2023, we authorized a workforce reduction impacting approximately 9% of reductions in connection with our workforce. 2023 Restructuring Plan and our 2024 Realignment Plan (each as defined below). We may be unable to effectively manage the organizational changes we are making in connection with the 2023 Restructuring Plan (as defined below), and 2024 Realignment Plan, which could result in declines in quality or customer satisfaction, increases in costs, difficulties in obtaining new customers, difficulty in introducing new solutions to our existing customers, difficulty in deploying solutions to new and current customers, reputational harm, loss of customers, or operational difficulties in executing sales and other strategies, any of which could adversely affect our business performance and operating results.

Increasing our customer base and achieving broader market acceptance of our software solutions will depend on our ability to expand the abilities of our sales and marketing organizations to obtain new customers and sell additional solutions and services to existing customers. customers, including through the use of our formal and informal relationships with our referral and reseller partners. We believe there is significant competition for direct sales and marketing professionals with the skills and knowledge that we require, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future. Our ability to achieve significant future revenue growth will depend on our success in recruiting, training, and retaining a sufficient number of direct sales professionals. New Moreover, new hires require significant training and time before they become fully productive and may not become as productive as quickly as we anticipate. As a result, the cost of hiring and carrying new representatives cannot be offset by the revenues they produce for a significant period of time. Our growth prospects will be harmed if

Furthermore, we believe that maintaining and enhancing the brands associated with our efforts solutions is important to expand, train, support the marketing and retain sale of our direct sales team do not generate a corresponding significant existing and future solutions to new customers and to increase in revenues. Additionally, if adoption of our



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solutions by existing customers. If we fail to sufficiently invest in our marketing programs or they are unsuccessful in creating market awareness of our company and software solutions, our business may be harmed, and our sales opportunities may be limited.

In addition to Our promotion activities may not generate brand awareness or yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our direct sales team, we also extend brand, which may negatively impact our sales distribution through formal and informal relationships with referral and reseller partners. While we are not substantially dependent upon referrals from any partner, our ability to achieve significant revenue growth in the future will depend upon continued referrals from our partners and growth results of the network of our referral partners. These partners are under no contractual obligation to continue to refer business to us, nor do these partners have exclusive relationships with us and may choose to instead refer potential customers to our competitors. We cannot be certain that these partners will prioritize or provide adequate resources for promoting our



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software solutions or that we will be successful in maintaining, expanding, or developing our relationships with referral partners. Our competitors may be effective in providing incentives to third parties, including our partners, to favor their software products or prevent or reduce subscriptions to our software solutions, either by disrupting our relationship with existing customers or limiting our ability to win new customers. Establishing and retaining qualified partners and training them with respect to our software solutions requires significant time and resources. If we are unable to devote sufficient time and resources to establish and train these partners or if we are unable to maintain successful relationships with them, we may lose sales opportunities and our revenues could suffer. operations.

***Our product partners may change their dependence on our system for providing service to their customers, which could harm our business and operating results.***

Our continued success will depend in part on our ability to retain a number of key product partners. In addition, we believe that our future success will depend in large part on our ability to attract product partners who utilize our system to service their customers, driving further volumes through our platform. Value associated with our platform is derived from the ability of our customers to access these product partners through our solutions. There can be no assurance that we will be successful in attracting and retaining such partners. The loss of certain key product partners or our inability to attract or retain other product partners could have a material adverse effect on our business, operating results, and financial condition.

If we fail to offer high-quality customer support, or if our support is more expensive than anticipated, our business and reputation could suffer.

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Our customers rely on our customer support services to resolve issues and realize the full benefits provided by our solutions. High-quality support is also important to maintain and drive further adoption by our existing customers. We



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***We may not achieve some or all of the expected benefits of our restructuring or organizational realignment plans, and the such restructuring or realignment may adversely affect our business.***

We have undertaken, and may undertake in the future, restructuring, reorganization, organizational realignment, or other strategic changes in order to manage operating costs, enable efficient delivery on business objectives, allow for growth in, areas of strategic importance, adapt our business to serve customers more effectively, align teams with the Company's highest business priorities, and achieve operating efficiencies, and realign our cost structure, including the restructuring plan approved by our Board in February 2023, or the 2023 Restructuring Plan, which was completed during the three months ended June 30, 2023, and the 2024 Realignment Plan approved in February 2023. January 2024. The 2023 Restructuring Plan resulted in restructuring charges of $3.6 million for severance and related costs, and we estimate we will incur approximately $3.3 million to $4.3 million in connection with the 2024 Realignment Plan. Implementation of any restructuring or organizational realignment plan may be costly and disruptive to our business, and we may not be able to obtain the anticipated cost savings, operational improvements, strategic growth, and estimated workforce reductions within the projected timing or at all. Further, we may experience a loss of continuity, loss of accumulated knowledge and/or inefficiency, adverse effects on employee morale, and/or key or other retention issues during transitional periods. Restructuring and realignment can require a significant amount of time and focus, which may divert attention from operating and growing our business. For more information about our 2023 Restructuring Plan and 2024 Realignment Plan, see Note 15 12 and Note 16, respectively, to our Consolidated Financial Statements consolidated financial statements elsewhere in Item 8.



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this Annual Report on Form 10-K.

***We depend on key and highly skilled personnel to operate our business, and if we are unable to retain our current personnel or hire additional personnel, our ability to develop and successfully market our business could be harmed.***

We believe our future success will depend in large part upon our ability to attract and retain highly skilled managerial, technical, finance, creative, and sales and marketing personnel. Moreover, we believe that our future success is highly dependent on the contributions of our executive officers. All of our officers and other employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. In addition, the loss of any key employees or the inability to attract or retain qualified personnel could delay the development and introduction of, and harm our ability to sell, our software solutions and harm the market's perception of us. The workforce reduction reductions we implemented and are implementing as part of our 2023 Restructuring Plan and 2024 Realignment Plan may also adversely impact our ability to attract, integrate, retain, and motivate highly qualified employees, and may harm our reputation with current or prospective employees. Qualified individuals are in high demand, and we may incur significant costs to attract them. We may be unable to attract and retain suitably qualified individuals who are capable of meeting our growing sales, operational, and managerial requirements, or may be required to pay increased compensation in order to do so. Furthermore, although we believe a remote-first work model will help us attract and retain talent across a broad geographic base, a remote work environment could, among other things, negatively impact company culture, employee morale, and productivity, inhibit our



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ability to hire and train new employees, and impede our ability to support customers at the levels they expect. If we are unable to attract and retain the qualified personnel we need to succeed, our business will suffer.

Volatility or lack of performance in our stock price may also affect our ability to attract and retain our key employees. Certain of our employees have become, or will soon become, vested in a substantial amount of stock options. options or restricted stock units. Employees may be more likely to leave us if the shares they own or the shares underlying their vested options have significantly appreciated in value relative to the original purchase prices of the shares or the exercise prices of the vested options, or if the exercise prices of the options that they hold are significantly above the market price of our common stock. In addition, job candidates and existing employees often consider the actual and potential value of the equity awards they receive as part of their overall compensation. If the perceived value or future value of our stock declines, our ability to attract and retain highly skilled employees may be adversely affected. If we are unable to retain or find a suitable replacement for our named executive officers or other key employees, our business will be harmed.



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***Growth may place significant demands on our management and our infrastructure.***

Our growth has placed, and may continue to place, significant demands on our management and our operational and financial infrastructure. As our operations grow in size, scope, and complexity, we will need to improve and upgrade our systems and infrastructure to offer an increasing number of customers enhanced software solutions, features, and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational, and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. To support our growth, we must also continue to improve our management resources and our operational and financial controls and systems, and these improvements may increase our expenses more than anticipated and result in a more complex business. Continued growth could also strain our ability to maintain reliable service levels for our customers and recruit, train, and retain highly skilled personnel.

Managing our growth will require significant expenditures and allocation of valuable management resources. If we fail to achieve the necessary level of efficiency in our organization as it grows, our business would be harmed.

***We depend on data centers operated by third parties and third-party Internet cloud hosting providers, and any disruption in the operation of these facilities or access to the Internet could adversely affect our business.***

While the majority of our customers have been migrated to cloud-based solutions like Microsoft Azure and Amazon Web Services, we continue to serve a small subset of our customers from two third-party data center hosting facilities located in Lone Mountain, Nevada and Atlanta, Georgia. The We do not control the operation of these data centers, and the third-party owners and operators of these current and future facilities do not guarantee that our customers' access to our software solutions will be uninterrupted, error-free, or secure. We mayProblems associated with these data centers could adversely affect the experience website of our customers. Any disruptions outages, and or other operational performance problems at



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third-party with these data centers. These problems may be caused by a variety of factors, centers including infrastructure changes, human without limitation, interruptions in service from software or software errors, viruses, security attacks (including ransomware attacks), fraud, spikes in customer usage, and denial of service issues. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Data center facilities are vulnerable to damage or interruption from human error, intentional bad acts, power loss, hardware failures, telecommunications failures, fires, wars, terrorist virus or cybersecurity attacks, floods, earthquakes, hurricanes, tornadoes, terrorism, or similar catastrophic events. They also could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism, and other misconduct. The occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate



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notice or terminate our hosting arrangement or other unanticipated problems disasters, could result in lengthy material interruptions in the delivery our services, adversely affect our reputation and results of our software solutions, cause system interruptions, prevent our customers' account holders from accessing their accounts online, cause reputational harm operations, and loss, corruption, or unavailability of critical data, prevent us from supporting our software solutions, or cause subject us to incur additional expense in arranging for new facilities and support. liability.

We also depend on third-party Internet-hosting cloud-hosting providers and continuous and uninterrupted access to the Internet through third-party bandwidth providers to operate our business. As we continue to expand the number of our customers and available solutions, we may not be able to scale our technology to accommodate the increased capacity requirements, which may result in interruptions or delays in service. In addition, the failure of data centers, Internet service providers, or other third-party service providers to meet our capacity requirements could result in interruptions or delays in access to our solutions or impede our ability to grow our business and scale our operations. If our third-party infrastructure service agreements are terminated, if there is a service lapse, interruption of Internet service provider connectivity, or damage to data centers, or if we experience a service loss or disruption of one or more of our Internet-hosting cloud-hosting or bandwidth providers for any reason, such as viruses, denial of service, ransomware, cybersecurity attacks or other attacks on their systems, human error, intentional bad acts, power loss, hardware failures, telecommunications failures, fires, wars, terrorist attacks, floods, earthquakes, hurricanes, tornadoes, or other catastrophic events, we could experience disruption in our ability to offer our software solutions and adverse perception of our software solutions' reliability. We could also be required to retain the services of replacement providers, which could cause interruptions in access to our solutions as well as delays and additional expense in arranging new facilities and services and could also increase our operating costs and harm our business and reputation. Additionally, any need to change Internet-hosting cloud-hosting service providers would require a significant amount of time and effort by our information technology department.

The recent transition of our software solutions to the public cloud could present significant risks and uncertainties unique to such a migration, which could adversely affect our business and operations.

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While we expect the transition to allow for greater scalability, security, and integration, if this planned transition impacts the reliability and availability of our software solutions, we may not realize our financial and strategic objectives. In addition, any unanticipated interruption, delay, or degradation in the performance and delivery of our solutions could negatively impact our customer relationships. Accordingly, any such delays, errors, or difficulties may result in operational challenges, security failures, increased costs, or reputational harm, any of which could materially adversely impact our profitability and operations.

Because our services are complex and incorporate a variety of hardware, proprietary software, and third-party software, our services may have errors or defects that could result in unanticipated downtime for our customers and harm to our reputation and our business. Cloud services frequently contain undetected errors when first introduced or when new versions or enhancements are released. We have from time to time found defects in, and experienced disruptions to, our services, and new defects or disruptions may occur in the future. Such defects could also create vulnerabilities that could inadvertently permit access to protected customer data.

***We have a significant portion of our product development operations contracted to unrelated third parties in India, which poses risks.***

We have used, and intend to continue to use, unrelated third parties to provide us with technology development services, through individuals based in India. We have increased the amount of our product development work performed by contractors in India to expand our access to additional resources so we can meet the needs of our increased development efforts. However, we may not achieve the cost savings and other benefits we anticipate from these programs, and we may not be able to find sufficient numbers of developers with the necessary skill sets in India to meet our needs. While our experience to date with our India-based contractors has been positive, there is no assurance that this will continue. Specifically, there are a number of risks associated with this activity, including, but not limited to, the following:



- communications and information flow may be less efficient and accurate as a consequence of the time and distance differences between our primary development organization and the foreign-based activities, resulting in delays in development or errors in the software developed;
- in addition to the risk of misappropriation of intellectual property from departing personnel, there is a general risk of the potential for misappropriation of our intellectual property that might not be readily discoverable;
- the ability to obtain fulsome rights to intellectual property arising from the work performed by India-based individuals may be more difficult than it is with respect to intellectual property arising from work performed for us by our U.S.-based employees;
- the quality of the development efforts undertaken offshore may not meet our requirements, including due to experiential differences, resulting in potential product errors and/or delays;



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- currency exchange rates could fluctuate and adversely impact the cost advantages intended from maintaining these relationships; and
- as would be the case with any of our third-party developers, if those based in India were to leave their employment or if the third-party development services agreement with us were terminated, we would lose some short-term development capacity, and while we believe we would still be able to continue maintaining and improving all of our service offerings, we would need to expend resources and management time to on-board additional development resources.

In addition, as a result of the foregoing arrangements, we have a heightened risk exposure to changes in the economic, security, and political conditions of India. India has also been affected by the pandemic and taken measures to try to contain it, at times resulting in disruptions to their work force and slowdowns in certain deliverables. Economic and political instability, military actions, and other unforeseen occurrences in India could impair our ability to develop and introduce new software applications and functionality in a timely manner, which could put our products at a competitive disadvantage whereby we lose existing customers and/or fail to attract new customers.

**Risks Related to Legal and Regulatory Matters**

***Privacy, information security, and data protection concerns, data collection and transfer restrictions, and related domestic regulations may limit the use and adoption of our software solutions and adversely affect our business and results of operations.***

The regulatory framework governing privacy, information security, data protection, and the collection, processing, storage, and use of certain information, particularly financial and other personally identifiable information, is rapidly evolving. We expect that there will continue to be new proposed and adopted laws, regulations, and industry standards concerning privacy, data protection, and information security in the United States. For example, California enacted the California Consumer Privacy Act, or CCPA, which went into effect in January 2020 and, among other things, requires companies covered by the legislation to provide new disclosures to California consumers and afford such consumers new rights of access and deletion for personal information, as well as the right to opt-out of collection of their data and certain sales of personal information. Additionally, on November 3, 2020, the California Privacy Rights Act, or CPRA, was approved by California voters. The CPRA amends and expands the CCPA and went into effect January 1, 2023. The CCPA and the CPRA has required us to modify and augment our practices and policies and incur substantial costs and expenses in an effort to comply or respond to further changes to laws or regulations.

We cannot yet fully determine the impact that these or future laws, rules, and regulations may have on our business or operations. Any such laws, rules, and regulations may be inconsistent among different jurisdictions, subject to new or differing interpretations, or conflict with our current or future practices. Additionally, we may be bound by contractual





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requirements applicable to our collection, use, processing, and disclosure of various types of information, including financial and PII, and may be bound by, or voluntarily comply with, self-regulatory or other industry standards relating to these matters that may further change as laws, rules, and regulations evolve. Any failure or perceived failure by us, our third-party service providers, or any other third parties with which we do business, to comply with these laws, rules, and regulations, or with other obligations to which we or such third parties are or may become subject, may materially and adversely affect our business and results of operations, and result in reputational harm, governmental investigations and enforcement actions, litigation, claims, fines and penalties, or adverse publicity.

Additionally, if in the future we seek to sell our solutions outside of the United States, we would face similar or potentially more stringent laws and regulations relating to personal privacy, information security, and data protection and we cannot be certain we would be able to adequately address these laws and regulations as part of any international expansion without incurring substantial costs and expenses to comply.

***Our customers are highly regulated and subject to a number of challenges and risks. Our failure to comply with laws and regulations applicable to us as a technology provider to financial institutions could adversely affect our business and results of operations, increase costs, and impose constraints on the way we conduct our business.***

Our current and prospective customers are highly regulated and are generally required to comply with stringent regulations in connection with performing business functions that our software solutions address. As a provider of technology to financial institutions, and as a result of obligations under some of our customer contracts, we are required to comply with certain provisions of the Gramm-Leach-Bliley Act, or GLBA, related to the privacy and security of certain consumer information, in addition to other contractual obligations that relate to our customers' obligations under the GLBA and other laws and regulations to which they are subject, including, but not limited to, state privacy laws and regulations. We also may be subject to other laws and regulations, including those relating to privacy and data security, due to the software solutions we provide to financial institutions.

Matters subject to review and examination by federal and state regulatory agencies and external auditors include our internal information technology controls in connection with our performance of data processing services, the agreements giving rise to those processing activities, and the design of our software solutions. Any inability to satisfy these examinations and maintain compliance with applicable regulations could adversely affect our ability to conduct our business, including attracting and maintaining customers. If we must make changes to our internal processes and software solutions as a result of these regulations, we could be required to invest substantial additional time and funds, diverting time and resources from other initiatives to remedy any identified deficiency.

Our indirect, wholly-owned subsidiary, Professional Credit Reporting, Inc., functions as a consumer reporting agency and, as a result, is subject to rules and regulations applicable to consumer reporting agencies, such as the Fair Credit Reporting Act, or FCRA. In addition, with our acquisition of the assets of TazWorks and MeridianLink Wholesale Data, LLC, doing business as Trade House Data, we may have additional exposure to FCRA as a wholesale data furnisher of certain background screening pointer data. Other than these exposures to FCRA, we have adopted the position that we are not otherwise subject directly to the FCRA in our position as a technology provider to financial institutions and CRAs. It is possible that this position may be challenged by regulatory authorities or others, however, which could result in regulatory investigations and other proceedings, claims, and other liability, and which could require us to redesign our solutions and otherwise substantially modify our operations, processes, and solutions. This could require dedication of substantial funds and other resources, and time of management and technical personnel, which could be highly disruptive to our operations. This could adversely affect our business and results of operations. The CRA industry is facing aggressive litigation efforts from plaintiffs' attorneys against CRAs requiring substantial resources from us in response to subpoenas and additional



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technical software reporting requests. These efforts could affect us more significantly if additional customers are impacted or if MeridianLink is otherwise implicated in such litigation.

The evolving, complex, and often unpredictable regulatory environment in which our customers operate could result in our failure to provide compliant software solutions, which could result in customers not purchasing our software solutions or terminating their contracts with us or the imposition of fines or other liabilities for which we may be responsible. In addition, as a service provider to financial institutions, we may be subject to direct regulation and examination by federal and/or state agencies, and such agencies may attempt to further regulate our activities in the future which could adversely affect our business and results of operations.



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***Any future litigation against us could damage our reputation and be costly and time-consuming to defend.***

We have been in the past and may become in the future be, at any point, subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial disputes or employment claims made by current or former employees. In other instances, our customers become involved in litigation where we are required to provide information pursuant to a court order, subpoena, or customer request. From time to time, we also may initiate litigation to enforce our rights, including with respect to payments that we are owed. Litigation could result in reputational damage and substantial costs and may divert management's attention and resources, any of which may adversely impact our business, overall financial condition, and results of operations and affect the value of our common stock. While we maintain insurance coverage for certain types of claims, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise. We are not currently aware of any material pending or threatened litigation against us but can make no assurances the same will continue to be true in the future.

***If we are unable to protect our intellectual property, our business could be adversely affected.***

We rely on a combination of copyrights, trademarks, service marks, patents and trade secret laws, confidentiality obligations, and other contractual restrictions to establish and protect our intellectual property and other proprietary rights. Despite our efforts, these protections may be limited and may not adequately permit us to gain or keep any competitive advantage. Unauthorized third parties may try to copy or reverse engineer our solutions, technology, systems, methods, processes, or proprietary information. A third party may develop software solutions, adopt trade names or domain names, or acquire other intellectual property and proprietary rights similar to ours, thus diluting or diminishing the value of our intellectual property, proprietary rights, and overall brand. Our ability to assert our intellectual property rights against potential competitors or to settle current or future disputes could be limited by our agreements with third parties. Our patents may be invalidated or circumvented. A patent application may not be issued with the claim scope we seek, if at all. In addition, the laws of some countries do not provide the same level of intellectual property protection as U.S. laws and courts.



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We may be required to spend significant resources to monitor and protect our intellectual property rights. We may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our



proprietary rights. We may also allow certain of our registered intellectual property rights, or our pending applications or registrations for intellectual property rights, to lapse or to become abandoned if we determine that obtaining or maintaining the applicable registered intellectual property rights is not worthwhile. Our inability to protect our intellectual property against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay sales or the implementation of our software solutions, impair the functionality of our software solutions, delay introductions of new software solutions, result in our substituting less-advanced or more-costly technologies into our software solutions, or harm our reputation. In addition, should any of our protections fail, we may be required to license additional intellectual property from third parties to develop and market new software solutions, and we cannot ensure that we could license that intellectual property on commercially reasonable terms or at all.

***We use open source software in our solutions, which could subject us to litigation or other actions, or otherwise negatively affect our ability to sell our solutions.***

Our solutions incorporate software modules licensed to us by third-party authors under "open source" licenses. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, warranties, indemnification, or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability and unknown vulnerabilities of such software may make our solutions more susceptible to compromise. The terms of many open source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that imposes unanticipated conditions or restrictions on our ability to provide or distribute our solutions.

We could become subject to lawsuits by parties claiming ownership of what we believe to be open source software. If we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties, to re-engineer our solutions, to discontinue or delay the provision of our offerings if re-engineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition, and results of operations. Although we monitor our use of open source software to avoid subjecting our solutions to unintended conditions, such use may require us to take remedial action that may divert resources away from our development efforts and could materially adversely affect our business.





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***Lawsuits by third parties against us or our customers for alleged infringement of the third parties' proprietary rights or for other intellectual property-related claims relating to our solutions or business could result in significant expenses and harm our operating results.***

Our industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets, and other intellectual property and proprietary rights, along with frequent litigation based on allegations of infringement or other violations of intellectual property rights. We have been, and, from time to time, expect to be involved in disputes related to patent and other intellectual property rights of third parties. To date, none of these disputes have resulted in material liabilities. Our business could be adversely affected by any significant disputes between us and our customers as to the applicability or scope of our indemnification obligations to them. There can be no assurances that any existing limitations of liability provisions in our contracts would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. If such claims are successful, or if we are required to indemnify or defend our customers from these or other claims, these matters could be disruptive to our business and management, result in material liabilities, and have an adverse effect on our business, operating results, and financial condition.



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From time to time, we have received, and may continue to receive, threatening letters or notices or, in the future, may be the subject of claims that our software solutions and underlying technology infringe or otherwise violate the intellectual property rights of others, and we may be found to be infringing upon or otherwise violating such rights. We also face, from time to time, trade name or trademark or service mark infringement claims brought by owners of other registered or unregistered trademarks or service marks, including trademarks or service marks that may incorporate variations of our brand names. In addition, the risk of patent litigation has been amplified by the increase in the number of patent holding companies or other adverse patent owners that have no relevant product revenues, and therefore, our existing patent and any patents we may obtain in the future may provide little or no deterrence as we would not be able to assert them against such entities or individuals. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us or our customers whom we indemnify, could subject our technologies to injunction preventing us from accessing such third-party intellectual property rights, require that we pay substantial damages or ongoing royalty payments, prevent us from offering our software solutions, or require that we comply with other unfavorable terms. Even if the claims do not result in litigation or are resolved in our favor, these claims and the time and resources necessary to resolve them could divert the resources of our management and harm our business and operating results. Any claims related to our intellectual property or customer confusion related to our solutions could damage our reputation and adversely affect our growth prospects.

***Any use of our solutions by our customers in violation of legal or regulatory requirements could damage our reputation and subject us to additional liability.***



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If our customers or their clients use our solutions in violation of regulatory requirements and applicable laws, we could suffer damage to our reputation and could become subject to claims in connection with their use of our solutions. We rely on our customers' contractual obligations that their use and their clients' use of our solutions will comply with applicable laws. However, we do not audit our customers or their clients to confirm compliance. Even if claims asserted against us do not result in liability, we may incur costs in investigating and defending against such claims. If we are found liable in connection with our customers' or their clients' activities, we could incur liabilities and be required to redesign our solutions or otherwise expend resources to remedy any damages caused by such actions and to avoid future liability.

***Privacy, information security, and data protection concerns, data collection and transfer restrictions, and related domestic regulations may limit the use and adoption of our software solutions and adversely affect our business and results of operations.***

The regulatory framework governing privacy, information security, data protection, and the collection, processing, storage, and use of certain information, particularly financial and other personally identifiable information, is rapidly evolving. We expect that there will continue to be new proposed and adopted laws, regulations, and industry standards concerning privacy, data protection, and information security in the United States. For example, California enacted the California Consumer Privacy Act, or CCPA, which went into effect in January 2020 and, among other things, requires companies covered by the legislation to provide new disclosures to California consumers and afford such consumers new rights of access and deletion for personal information, as well as the right to opt-out of collection of their data and certain sales of personal information. Additionally, on November 3, 2020, the California Privacy Rights Act ("CPRA"), was approved by California voters. The CPRA amends and expands the CCPA and went into effect January 1, 2023. The CCPA and the CPRA has required us to modify and augment our practices and policies and incur substantial costs and expenses in an effort to comply or respond to further changes to laws or regulations.

We cannot yet fully determine the impact these or future laws, rules, and regulations may have on our business or operations. Any such laws, rules, and regulations may be inconsistent among different jurisdictions, subject to new or differing interpretations, or conflict with our current or future practices. Additionally, we may be bound by contractual requirements applicable to our collection, use, processing, and disclosure of various types of information, including financial and PII, and may be bound by, or voluntarily comply with, self-regulatory or other industry standards relating to these matters that may further change as laws, rules, and regulations evolve. Any failure or perceived failure by us, our third-party service providers, or any other third parties with which we do business, to comply with these laws, rules, and regulations, or with other obligations to which we or such third parties are or may become subject, may materially and adversely affect our business and results of operations, and result in reputational harm, governmental investigations and enforcement actions, litigation, claims, fines and penalties, or adverse publicity.

Additionally, if in the future we seek to sell our solutions outside of the United States, we would face similar or potentially more stringent laws and regulations relating to personal privacy, information security, and data protection and we cannot be





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certain we would be able to adequately address these laws and regulations as part of any international expansion without incurring substantial costs and expenses to comply.

***Our customers are highly regulated and subject to a number of challenges and risks. Our failure to comply with laws and regulations applicable to us as a technology provider to financial institutions could adversely affect our business and results of operations, increase costs, and impose constraints on the way we conduct our business.***

Our customers and prospective customers are highly regulated and are generally required to comply with stringent regulations in connection with performing business functions that our software solutions address. As a provider of technology to financial institutions, and as a result of obligations under some of our customer contracts, we are required to comply with certain provisions of the Gramm-Leach-Bliley Act, or GLBA, related to the privacy and security of certain consumer information, in addition to other contractual obligations that relate to our customers' obligations under the GLBA and other laws and regulations to which they are subject, including, but not limited to, state privacy laws and regulations. We also may be subject to other laws and regulations, including those relating to privacy and data security, due to the software solutions we provide to financial institutions.

Matters subject to review and examination by federal and state regulatory agencies and external auditors include our internal information technology controls in connection with our performance of data processing services, the agreements giving rise to those processing activities, and the design of our software solutions. Any inability to satisfy these examinations and maintain compliance with applicable regulations could adversely affect our ability to conduct our business, including attracting and maintaining customers. If we have to make changes to our internal processes and software solutions as a result of these regulations, we could be required to invest substantial additional time and funds and divert time and resources from other initiatives to remedy any identified deficiency.

Our indirect, wholly-owned subsidiary, Professional Credit Reporting, Inc., functions as a consumer reporting agency and, as a result, is subject to rules and regulations applicable to consumer reporting agencies, such as the FCRA. In addition, with our acquisition of the assets of TazWorks and MeridianLink Wholesale Data, LLC, doing business as Trade House Data, we may have additional exposure to FCRA as a wholesale data furnisher of certain background screening pointer data. Other than these exposures to FCRA, we have adopted the position that we are not otherwise subject directly to the FCRA in our position as a provider of technology to financial institutions and CRAs. It is possible that this position may be challenged by regulatory authorities or others, however, which could result in regulatory investigations and other proceedings, claims, and other liability, and which could require us to redesign our solutions and otherwise substantially modify our operations, processes, and solutions. This could require dedication of substantial funds and other resources, and time of management and technical personnel, and could be highly disruptive to our operations. This could adversely affect our business and results of operations.

The evolving, complex, and often unpredictable regulatory environment in which our customers operate could result in our failure to provide compliant software solutions, which could result in customers not purchasing our software solutions or terminating their contracts with us or the imposition of fines or other liabilities for which we may be responsible. In addition, as a service provider to financial institutions, we may be subject to direct regulation and examination by federal and/or state agencies, and such agencies may attempt to further regulate our activities in the future which could adversely affect our business and results of operations.

***The financial services industry is heavily regulated and changes in current legislation or new legislation could adversely affect our business.***

The financial services industry in the United States, and, in particular, the consumer lending and mortgage industries, are heavily regulated. Our software solutions are designed to assist our customers with their compliance of consumer protection



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laws and institutionally mandated compliance policies and, therefore, must be updated to incorporate changes to such laws and policies. For example, we made certain changes to our software solutions to assist our customers with compliance with modifications to the Truth in Lending Act. Federal and state governments and agencies could enact legislation or other policies that could negatively impact the business of our customers and our product partners. Any changes to existing laws or regulations or adoption of new laws or regulations that increase restrictions on the consumer lending and mortgage industries may decrease usage and volumes transacted with our solutions or otherwise limit the ability of our customers and our product partners to operate their businesses, resulting in decreased usage of our software solutions. Updates that we have undertaken in the past have caused us to incur significant expense, and future updates to address such legal and regulatory developments will likely similarly cause us to incur significant expense.



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While our customers are ultimately responsible for compliance with the laws and regulations that apply to the consumer lending and mortgage industries, a failure to design or to appropriately update our software solutions to reflect and comply with changes to existing laws or regulations or with new laws or regulations may contribute to violations by our customers of such laws and regulations. Any such violations could result in our customers to discontinue using our software solutions and cause us reputational harm, which would negatively impact our financial position and results of operations.

***Failure to comply with anti-bribery, anti-corruption, and similar laws, could subject us to penalties and other adverse consequences.***

Failure to comply with anti-bribery, anti-corruption, anti-money laundering, and similar laws could subject us to penalties and other adverse consequences. We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and other federal, state, and local laws that address anti-bribery, anti-corruption, and anti-money laundering. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, agents, representatives, business partners, and third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector.

While we have policies and procedures to address compliance with such laws, we cannot ensure that none of our employees, agents, representatives, business partners, or third-party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible.

Any allegations or violation of the FCPA or other applicable anti-bribery or anti-corruption laws or anti-money laundering laws could result in whistleblower complaints, sanctions, settlements, prosecution, enforcement actions, fines, damages, adverse media coverage, investigations, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, all of which may have an adverse effect on our reputation, business, results of operations, and prospects. Responding to any investigation or action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees. In addition, the U.S. government may seek to hold us liable for successor liability for FCPA violations committed by companies in which we invest or that we



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acquire. As a general matter, investigations and enforcement actions could harm our reputation, business, results of operations, and financial condition.

***If one or more U.S. states or local jurisdictions successfully assert that we should have collected, or in the future should collect, additional sales or use taxes on our fees, we could be subject to additional liability with respect to past or future sales, and the results of our operations could be adversely affected.***

An increasing number of states have considered or adopted laws that attempt to impose sales tax collection obligations on out-of-state sellers. We do not collect state and local sales and use taxes in all jurisdictions in which our customers are located, based on our belief that such taxes are not applicable. applicable to us. Jurisdictions in which we do not collect sales and use taxes may assert that such taxes are applicable to us and require us to calculate, collect, and remit taxes, interest, and penalties, as well as collect such taxes in the future. In addition, one or more states, the federal government, or other countries may seek to impose additional reporting, record-keeping, or indirect tax collection obligations on businesses like ours that offer subscription services. For example, on June 21, 2018, the Supreme Court held in *South Dakota v. Wayfair, Inc.* *Inc.* that states the state in which the buyer is located could impose sales tax collection obligations on out-of-state sellers even if those sellers lack any physical presence within the states state imposing the sales taxes. In response to *Wayfair*, states state or local governments may require us to collect and remit sales and use taxes where we have not collected and remitted sales and use taxes that occurred in prior tax years. The imposition by state governments or local governments of sales tax collection obligations on out-of-state sellers could also create additional administrative burdens for us, subject us to additional costs, put us at a competitive disadvantage if similar obligations are not imposed on our competitors, and decrease our future sales, which could have an adverse effect on our business, financial condition, and results of operations.

**Risks Related to Finance and Accounting**

***Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business.***

Our quarterly results of operations, including the levels of our revenues, gross margin, profitability, and cash flow may vary significantly in the future and, accordingly, period-to-period comparisons of our results of operations may not be meaningful. Thus, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, and



may not fully or accurately reflect the underlying performance of our business. For example, while subscriptions with our customers often include multi-year terms that typically range from three to five years, a majority of our revenues from these subscriptions comes from usage or volume-based fees, such as application fees and per inquiry fees, as opposed to annual or monthly base fees. As such, if our customers terminate their agreements with us prior to their scheduled term, we may



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only recover a portion of our contractual base fees, and not any usage or volume-based fees. Fluctuation in quarterly results may negatively impact the value of our common stock. Factors that may cause fluctuations in our quarterly financial results include, without limitation, those listed below:

- general economic, industry, and market conditions (particularly those affecting financial institutions), including fears of global economic downturn or recession, inflation and corresponding central bank countermeasures, and rising interest rates and their resulting effect on the mortgage market;
- our ability to retain current customers or attract new customers;
- the overall usage, volume, and type of transactions handled or processed using our software solutions, which may vary based on external factors such as macroeconomic conditions including the impact of the COVID-19 pandemic, and seasonality;
- the activation, delay in activation, or cancellation by customers;
- the timing of recognition of professional services revenues;
- the amount and timing of operating expenses, particularly increased expenses in connection with rising inflation, related to the maintenance and expansion of our business, operations, and infrastructure;
- the timing and amounts ofour stock repurchases;
- consolidations between or mergers or acquisitions of our customers, to the extent the combined entity or acquirer elects not to continue using our solutions or reduces subscriptions to it;
- customer renewal, expansion, and retention rates;
- increases or decreases in usage or pricing changes upon renewals of customer contracts;
- network outages or security breaches;
- changes in our pricing policies or those of our competitors;
- seasonal variations in sales of our software solutions, which have historically been highest in the third quarter of our fiscal year;
- the timing and success of introductions of new solutions or features and functionality by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers, or strategic partners;
- unexpected expenses such as those related to litigation and other disputes; and
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill or other intangibles from acquired companies.

***Our forecasts, including forecasts related to acquired entities, are subject to significant risks, assumptions, estimates, and uncertainties, which may cause our revenues, market share, expenses, and profitability to differ materially from our expectations. For acquired entities, this could lead to an impairment charge.***

Our forecasts, as well as our internal estimates and research, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. We operate in rapidly evolving, fragmented, and competitive



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industries, which make our results of operations difficult to predict. Additionally, we have a limited operating history at the current scale of our business, which makes it difficult to forecast our future results.

Forecasts are inherently imperfect predictorsMarket conditions may change quickly and unpredictably, which could cause the assumptions and data inputs for our forecasts to no longer be representative of actual results due the most recent market conditions. It may not be possible to their reliance on historical update existing forecasts expeditiously to properly account for the most recently available data and events, or management may be required to make judgments regarding adjustments or overrides to our forecasts, which judgments are subject to further uncertainty. Additionally, we have a significant number limited operating history at the current scale of assumptions regarding factors such as the competition our business, faces, which makes it difficult to forecast our ability to attract and retain customers and partners, our ability to successfully implement our business strategy, future demand, subscription renewals, as well as industry and market trends. In addition, any issues with the quality or effectiveness of our data aggregation and validation procedures, as well as the quality and integrity of data inputs, could result in ineffective or inaccurate forecast outputs and reports. Forecasts results. Moreover, forecasts based on historical data sets might not be accurate predictors of future outcomes, and their ability to appropriately predict future outcomes may degrade over time.



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Given the challenges of predicting future behavior, management judgment is used at every stage of the forecasting process, from forecast design decisions regarding core underlying assumptions, to interpreting and applying final output. Further, when market conditions change quickly and unpredictably, there is an increased risk that the assumptions and data inputs for our forecasts are not representative of the most recent market conditions, which requires management judgment to make adjustments or overrides to our forecasts. In a rapidly changing environment, we may be unable to update existing forecasts expeditiously to properly account for the most recently available data and events.

If the forecasts of market growth, anticipated spending, or predictions regarding market size prove to be inaccurate, our business and growth prospects could be adversely affected. Even if all or some of the forecasted growth occurs, our business may not grow at a similar rate, or at all. If actual results differ from our estimates, analysts may react negatively, react and our stock price could be materially impacted. In the case of acquired entities, if our forecasts of market growth, anticipated spending, or predictions regarding market size prove to be inaccurate, an impairment charge could materialize.

***Because we recognize certain subscription fee revenues over the term of the contract, downturns or upturns in our business may not be fully reflected in our results of operations until future periods.***

We generally recognize revenues from subscription fees ratably over the terms of our customer contracts, which typically have an initial term of three years. As such, a portion of the subscription fee revenues we report each quarter are derived from the recognition of deferred revenues relating to subscriptions activated in previous quarters. Consequently, a reduction in customer subscriptions in any single quarter may only have a small impact on our revenues for that quarter. However, such a decline will negatively affect our revenues in future quarters. Accordingly, the effect of significant downturns in sales



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or market acceptance of our software solutions, and changes to our attrition rate, may not be fully reflected in our results of operations until future periods.

***If our goodwill and other intangibles become impaired, we may be required to record a significant charge to earnings.***

We have a significant amount of goodwill and other intangibles. Our goodwill and other intangible asset balances as of December 31, 2022 December 31, 2023, were approximately $608.7 million $610.1 million and $297.5 million $251.1 million, respectively. We test goodwill at least annually, on as of October 1, or more frequently if circumstances indicate that goodwill may not be recoverable. Testing involves estimates and judgments by management. Such assets are considered to be impaired when the carrying value of an intangible asset exceeds its estimated fair value. We may be required to record a significant charge to earnings in our consolidated financial statements during the period in which any impairment of our goodwill or intangible assets is determined. While no impairment has been recorded in the consolidated financial statements included in this Annual Report on Form 10-K, any future impairment of a significant portion of our goodwill could materially adversely affect our financial condition and results of operations.

***Our ability to recognize the benefits of deferred tax assets is dependent on future cash flows and taxable income.***

We recognize deferred tax assets when it is considered more likely than not that the tax benefit will be realized; otherwise, a valuation allowance is applied against deferred tax assets. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, our ability to realize the deferred tax assets could be impacted. Additionally, future changes in tax laws could limit our ability to obtain the future tax benefits represented by our deferred tax assets. After analyzing all available evidence, we have determined that it is more likely that we would not be able to utilize all of our deferred tax assets prior to the expiration of such assets and therefore we have established a partial valuation allowance on our deferred tax assets as of December 31, 2023. Accordingly, we have recorded a partial valuation allowance of approximately $29.4 million as of December 31, 2023, to reduce our deferred tax assets. The amount of the deferred tax asset considered realizable, and therefore the amount of the valuation allowance recorded against our deferred tax assets, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth.

***Our ability to use our net operating loss carryforwards and other tax attributes may be limited.***

As of December 31, 2023 and 2022, we had U.S. federal and U.S. state net operating loss, or NOL, carryforwards of approximately $121.5 million and $122.0 million, respectively, for U.S. federal income tax and U.S. state tax purposes available to offset future taxable income, prior to consideration of annual limitations that may be imposed under Section 382 of the Internal Revenue Code of 1986, as amended, or Section 382, or corresponding U.S. state statutory provisions. The NOL carryforwards will begin to expire in 2025 if not utilized.

We may be unable to fully use our NOL carryforwards, if at all. Under Section 382 and corresponding provisions of state law, if a corporation undergoes an “ownership change,” generally defined under Section 382 and applicable U.S. Treasury regulations as a greater than 50% change, by value, in its equity ownership over a rolling three-year period, the corporation's ability to use its pre-change NOLs and other applicable pre-change tax attributes, such as research and



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development tax credits, to offset its post-change income may be limited. There is a possibility that we may experience an ownership change as a result of the Secondary Offering (as defined below). We completed an analysis under Section 382 through December 2022 confirming no ownership changes have occurred since our initial public offering in 2021; however, we have not completed an analysis under Section 382 through December 2023 or an analysis that gives effect to the Secondary Offering, including the stock repurchase made in connection thereto, and therefore cannot forecast or otherwise determine our ability to derive any benefit from our various U.S. federal or U.S. state tax attribute carryforwards following the completion of the Secondary Offering. As a result, if we earn net taxable income, our ability to use our pre-change NOL carryforwards to offset federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. In addition, at the U.S. state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

Lastly, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. If we determine that an ownership change has occurred and our ability to use our historical NOL and tax credit carryforwards is materially limited, it may result in increased future tax liability to us and could adversely affect our operating results and financial condition.

***Our debt agreements contain restrictions that limit our flexibility.***

Our debt agreements contain, and any future indebtedness of ours would likely contain, a number of covenants that impose significant operating and financial restrictions on us, including restrictions on our and our subsidiaries' ability, among other things, to:

- incur additional indebtedness;
- incur liens;
- engage in mergers, consolidations, liquidations, or dissolutions;
- pay dividends and distributions on, or redeem, repurchase, or retire our capital stock;
- make investments, acquisitions, loans, or advances;
- create negative pledge or restrictions on the payment of dividends or payment of other amounts owed from subsidiaries;
- sell, transfer, or otherwise dispose of assets, including capital stock of subsidiaries;
- make prepayments of material debt that is subordinated with respect to right of payment or liens, or is unsecured;
- engage in certain transactions with affiliates;
- modify certain documents governing material debt that is subordinated with respect to right of payment; and



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- change our lines of business.

As a result of these covenants, we will be limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

***We are highly leveraged and have substantial indebtedness, which reduces our capability to withstand adverse developments or business conditions.***

We have incurred substantial amounts of indebtedness to finance our business operations, including our growth initiatives. Our level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on, or other amounts due in respect of our indebtedness. Additionally, actual or anticipated downgrades to our credit rating, including any announcement that our credit rating is under review, could impact our ability to borrow money and increase future lending costs.

Our overall leverage and the terms of our financing arrangements could also:

- make it more difficult for us to satisfy obligations under our outstanding indebtedness, and any failure to comply with the obligations under any of our debt instruments, including restrictive covenants, could result in an event of default under any of the agreements governing our indebtedness;



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- limit our ability to obtain additional financing in the future for working capital, capital expenditures, or acquisitions;
- limit our ability to refinance our indebtedness on terms acceptable to us or at all;
- delay investments, restrict us from making strategic acquisitions, or cause us to make non-strategic divestitures;
- require us to dedicate a significant portion of our cash flow from operations to paying the principal of and interest on our indebtedness, thereby limiting the availability of our cash flow to fund future capital expenditures, working capital, and other corporate purposes;
- increase our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage or require us to dispose of assets to raise funds if needed for working capital;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- place us at a competitive disadvantage compared with competitors that have a less significant debt burden; and
- expose us to increased market interest rates resulting in our variable-rate debt having higher debt service requirements.



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***We may not be able to secure sufficient additional financing on favorable terms, or at all, to meet our future capital needs.***

We may require additional capital in the future to pursue business opportunities or acquisitions or respond to challenges and unforeseen circumstances. We may also decide to engage in equity or debt financings or enter into additional credit facilities for other reasons. We may not be able to secure additional debt or equity financing in a timely manner, on favorable terms, or at all. Current capital market conditions, including the impact of inflation, have increased borrowing rates and can be expected to significantly increase our cost of capital as compared to prior periods should we seek additional funding. Moreover, global capital markets have undergone periods of significant volatility and uncertainty in the past, and there can be no assurance that such financing alternatives will be available to us on favorable terms or at all, should we determine it necessary or advisable to seek additional capital.

***The phase-out, replacement, or unavailability of the London Inter-Bank Offered Rate, or LIBOR, could affect interest rates under our revolving credit facility, as well as our ability to obtain future debt financing on favorable terms.***

We are subject to interest rate risk on floating interest rate borrowings under our credit facilities. Borrowings under our credit facilities use LIBOR as a benchmark for establishing the interest rate. In July 2017, the Financial Conduct Authority (the regulatory authority over LIBOR) stated that it would phase out LIBOR as a benchmark after 2021 to allow for an orderly transition to an alternative reference rate, and have since initiated the phase-out of LIBOR. Our term loan and revolving credit facilities provide for alternative methods of calculating the interest rate payable on such facilities by moving through a waterfall of defined successor Secured Overnight Financing Rate, or SOFR, -based benchmark interest rates (or, if a SOFR-based benchmark rate is not available, such rate as agreed between us and the administrative agent of the credit facility), along with technical changes to reflect the adoption of any such new benchmark rate upon the occurrence of certain triggering events.

During the second quarter of 2023, we entered into a conforming changes amendment for our credit facilities that established SOFR as the benchmark rate, effective for interest periods beginning on or after June 30, 2023.

It is not presently known whether SOFR or any other alternative reference rates that have been proposed will attain market acceptance as replacements of LIBOR. In addition, the overall financial markets may be disrupted as a result of the phase-out or replacement of LIBOR. Furthermore, the consequences of the transition from LIBOR could result in an increase in the cost of our borrowings on our variable rate debt, which could adversely impact our interest expense, results of operations and cash flows. Uncertainty as to the nature of such phase out and selection of an alternative reference rate, together with disruption in the financial markets, could have a material adverse effect on our financial condition, results of operations and cash flows, and may adversely affect our ability to obtain future debt financing on favorable terms.





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***We have identified a material weakness in our internal control over financial reporting for the fiscal year ended December 31, 2023. If we are unable to maintain effective internal controls over financial reporting and disclosure controls and procedures, we may be unable to accurately report our financial results, or report them within the time frames required.***

Subject to applicable reporting requirement exemptions we take advantage of as an emerging growth company, we are required to comply with the SEC rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act of 2002, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. Effective internal control over financial reporting is necessary for us to provide reliable and timely financial reports and, together with adequate disclosure controls and procedures, are designed to reasonably detect and prevent fraud. We are also required to report any material weaknesses in such internal control. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

In connection with the preparation and audit of our financial statements for the year ended December 31, 2023, our management has identified multiple control deficiencies that aggregate to a material weakness in our internal control over financial reporting related to the design and operating effectiveness of controls over revenue as of December 31, 2023. This was primarily caused by insufficient controls over the set-up of customer contracts for billing and maintaining complete contract support that were not operating effectively. We can confirm that there has been no restatement of prior period financial statements and no change to our previously released financial results as a result of the identified material weakness.

We have begun remediation efforts with respect to this material weakness, which include our implementation of additional review processes, procedures, and controls, including with respect to customer contracts, as well as system improvements and implementations, staffing, and training. Furthermore, while we have made progress in enhancing our controls and systems since our initial public offering, we will need to invest additional time, effort, and financial resources to meet our ongoing public reporting obligations, and we may need to hire additional accounting and financial staff to help remedy the deficiencies described above and to avoid future deficiencies. The rapid growth and increased complexity of our business will continue to place a strain on our finance and accounting functions, which may result in additional future control deficiencies, significant deficiencies and/or material weaknesses. We may need to hire additional personnel with appropriate experience, seniority and skill levels to remediate the control deficiencies we have identified or to help identify, manage and control other potential deficiencies in our internal controls in the future.

Despite these remediation efforts, we cannot at this time estimate how long it will take to complete the remediation process, nor can we assure you that the measures we have taken to date and may take in the future, will be sufficient to remediate the control deficiencies that led to the material weakness in internal control over financial reporting or that it will prevent or avoid potential future material weaknesses.

If we are not able to maintain effective internal control over financial reporting and disclosure controls and procedures, or if additional material weaknesses are discovered in past or future periods, a risk that is significantly increased in light of the complexity of our business, we may be unable to accurately and timely report our financial position, results of operations, cash flows or key operating metrics, which could result in late filings of the annual and quarterly reports under the Exchange



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Act, non-compliance with NYSE listing requirements, restatements of financial statements or other corrective disclosures, an inability to access capital or commercial lending markets, loss of investor confidence in our financial reporting, potential exposure to regulatory investigations and penalties, defaults under our secured revolving credit facility and other agreements, or other material adverse effects on our business, reputation, results of operations, financial condition or liquidity.

***Amendments to existing, or enactment of new unfavorable, tax laws, rules, or regulations could adversely affect our financial position.***

Changes in applicable U.S. federal, state, and local income taxation laws, rules, or regulations, or their interpretation and application, including which changes may have possible retroactive effect, could adversely affect our tax expense and profitability. In recent years, many such changes have been made, and changes are likely to continue to occur in the future. For example, many provisions of the Tax Cuts and Jobs Act of 2017, or TCJA, and the Inflation Reduction Act of 2022, or IRA, and the Tax Relief for American Families and Workers Act of 2024 still require guidance through the issuance or finalization of regulations by the U.S. Treasury Department in order to fully assess their effects. There may be substantial delays before such regulations are promulgated or finalized as well as proposed technical corrections or other legislation, resulting in



uncertainty as to their ultimate effects. Under the TJCA, TCJA, research and development costs are no longer fully deductible and are required to be capitalized and amortized for U.S. tax purposes effective January 1, 2022. The mandatory capitalization requirement increases our deferred tax assets and may have an impact on future cash tax liabilities. In August 2022, President Biden signed into law the IRA. The IRA includes a 15% 15% corporate alternative minimum tax for companies with modified United States generally accepted accounting principles, or GAAP, net income in excess of $1 billion, a 1% excise tax on certain stock repurchases, and numerous environmental and green energy tax credits, each of which still require guidance and finalization of regulations by the U.S. Treasury Department. Currently, we are not subject to the corporate alternative minimum tax, have determined the 1% excise tax on certain stock repurchases to be immaterial to our business or stock repurchase program, and are evaluating the applicability and impact of the law's additional tax provisions. Changes in our tax provisions or an increase in our tax liabilities, whether due to changes in applicable laws and regulations, the interpretation or application thereof, or a final determination of tax audits or litigation or agreements, could have an adverse effect on our financial position. We urge investors to consult with their legal and tax advisors regarding the implications of potential changes in tax laws on an investment in our common stock.





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**Risks Related to Potential Conflicts of Interests and Related Parties**

***We are a controlled company within the meaning of the NYSE rules and, as a result, qualify for and rely on exemptions from certain corporate governance requirements.***

Thoma Bravo, as the ultimate general partner of the Thoma Bravo Discover Fund, L.P., Thoma Bravo Discover Fund A, L.P., Thoma Bravo Discover Fund II,L.P., Thoma Bravo Discover Fund II-A, L.P., and Thoma Bravo Discover Executive Fund II, L.P., or collectively, the Thoma Bravo Funds, and its related entities own a majority of the voting power of our outstanding common stock. As a result, we are, and expect we will continue to be, a controlled company within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors as defined under the rules of the NYSE;
- the nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

We have and, for so long as we remain a controlled company, expect to continue to use some or all of these exemptions. Additionally, our current executive officers, directors, and the Thoma Bravo Funds beneficially own approximately 68.64% of our issued and outstanding shares of common stock as of March 3, 2023. These stockholders may be able to determine all matters requiring stockholder approval including, but not limited to, elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

***Thoma Bravo has a controlling significant influence over matters requiring stockholder approval, which may have the effect of delaying or preventing changes of control, or limiting the ability of other stockholders to approve transactions they deem to be in their best interest.***

As of March 3, 2023 March 7, 2024, Thoma Bravo and its related entities beneficially own, in the aggregate, approximately 50.16% 46.6% of our issued and outstanding shares of common stock. As a result, Thoma Bravo could exert significant influence over our operations and business strategy and would have sufficient voting power to determine the outcome of all as well as matters requiring stockholder approval. These matters may include:

- the composition of our board of directors, which has the authority to direct our business and to appoint and remove our officers;
- approving or rejecting a merger, consolidation, or other business combination;
- raising future capital; and
- amending our charter and bylaws, which govern the rights attached to our common stock.



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Pursuant Additionally, pursuant to our certificate of incorporate incorporation and bylaws, for so long as Thoma Bravo beneficially owns at least (i) 30% or more of our outstanding shares of common stock, Thoma Bravo will have the right to designate nominate a majority of our board of directors and to designate the size of our board as well as the chair of our board of directors and of each committee of our board of directors (provided that each such nomination or designation shall comply with the applicable rules of the NYSE); (ii) 20% (but less than 30%) of our outstanding shares of common stock, Thoma Bravo will have the right to nominate a number of directors to our board of directors equal to the lowest whole number that is greater than 30% of the total number of directors (but in no event fewer than two directors); (iii) 10% (but less than 20%) of our outstanding shares of common stock, Thoma Bravo will have the right to nominate a number of directors to our board of directors equal to the lowest whole number that is greater than 20% of the total number of directors (but in no event fewer than one director); and (iv) 5% (but less than 10%) of our outstanding shares of common stock, Thoma Bravo will have the right to nominate one director to our board of directors. Accordingly, for so long as Thoma Bravo beneficially owns at least 30% of our outstanding shares of common stock, we expect the directors designated by Thoma Bravo to constitute a majority of each committee of our board of directors, other than the audit committee, and to chair each of the committees, other than the audit committee. At such time as we are not a “controlled company” under the NYSE corporate governance standards, however, our board of directors and committee membership will comply with all applicable requirements of those standards.

This concentration of ownership of our common stock could delay or prevent proxy contests, mergers, tender offers, open-market purchase programs, or other purchases of our common stock that might otherwise give you the opportunity to realize a premium over the then-prevailing market price of our common stock, and could, in turn, adversely affect our share price.



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***Thoma Bravo may pursue corporate opportunities independent of us that could present conflicts with our and our stockholders’ interests.***

Thoma Bravo is in the business of making or advising on investments in companies and holds (and may from time to time in the future acquire) interests in or provides advice to businesses that may directly or indirectly compete with our business or be suppliers or customers of ours. Thoma Bravo may also pursue acquisitions that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.



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Our charter provides that none of our officers or directors who are also an officer, director, employee, partner, managing director, principal, independent contractor, or other affiliate of Thoma Bravo will be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that any such individual pursues or acquires a corporate opportunity for its own account or the account of an affiliate, as applicable, instead of us, directs a corporate opportunity to any other person, instead of us, or does not communicate information regarding a corporate opportunity to us. Such provision will apply for so long as Thoma Bravo holds any of our securities.

**Risks Related to Our Common Stock and Governance Structure**

***The trading price of our common stock could be volatile, and you could lose all or part of your investment.***

Our IPO occurred in July 2021. As such, there has only been a public market for our common stock for a short period of time. An active trading market for our common stock may not be sustained. In addition, the trading prices of technology stocks have historically experienced high levels of volatility. If the market for technology stocks or the broader stock market experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition, or results of operations. The trading price of our common stock may fluctuate substantially.

Some of the substantially in response to numerous factors, that may cause the market price of our common stock to fluctuate, many of which may be beyond our control and may not be related to our operating performance, include: including:

- changes in monetary policy by the Federal Reserve, including recent increases in interest rates and plans for future increases;
- general economic conditions and trends, including changes in interest rates and consumer borrowing habits;
- announcements of new products or technologies, commercial relationships, acquisitions, or other events by us or our competitors;
- changes in how customers perceive the benefits of software solutions;
- shifts in the mix of billings and revenues attributable to subscription fees, service fees, and product partner fees, from quarter to quarter;
- departures of key personnel;
- price and volume fluctuations in the overall stock market from time to time;
- fluctuations in the trading volume of our shares or the size of our public float, including by stock repurchase;
- sales of large blocks of our common stock, including by key personnel or the Thoma Bravo Funds;
- actual or anticipated changes or fluctuations in our operating results;
- unfavorable securities analysts' research and reports published about us, our business, our market, or our competitors;
- whether our operating results meet the expectations of securities analysts or investors, or changes in actual or future expectations of investors or securities analysts;
- fluctuations in our quarterly or annual earnings results or those of other companies in our industry;
- litigation involving us, our industry, or both;



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- regulatory developments;
- actual or perceived security compromises or breaches;
- major catastrophic events in domestic and foreign markets, including, for instance, the ongoing military conflict between Ukraine and Russia; Russia or Israel and Hamas; and
- the other factors described in these “Risk Factors” and elsewhere in this Annual Report on Form 10-K.



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These fluctuations may limit or prevent investors from readily selling their shares of common stock, could cause investors to lose all or part of their investment in our common stock, and may otherwise negatively affect the liquidity of our common stock.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, operating results, or financial condition. In addition, the trading prices of technology stocks have historically experienced high levels of volatility. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the trading price of a company’s securities, securities class action litigation has often been brought against that company.



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***For as long as we are an emerging growth company, we will not be required to comply with certain requirements that apply to other public companies.***

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For as long as we are an emerging growth company, unlike other public companies, we will not be required to, among other things: (i) provide an auditor’s attestation report on management’s assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act; (ii) comply with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor’s report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer; (iii) provide certain disclosures regarding executive compensation required of larger public companies; or (iv) hold nonbinding advisory votes on executive compensation and any golden



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parachute payments not previously approved. In addition, the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for adopting new or revised financial accounting standards. We intend to take advantage of the longer phase-in periods for the adoption of new or revised financial accounting standards permitted under the JOBS Act until we are no longer an emerging growth company. If we were to subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to the JOBS Act.

We will remain an emerging growth company up until December 31, 2026, although we will lose that status sooner if we have more than $1.235 billion of revenues in a fiscal year, have more than $700 million in market value of our common stock held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period.

To the extent that we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock to be less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

***Any issuance or sale of our capital stock may adversely affect the market price of our common stock and may dilute existing stockholders.***

We may issue additional capital stock in the future that will result in dilution to all other stockholders. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. We plan to continue to issue common stock pursuant to our 2021 Stock Option and Incentive Plan, 2021 Employee Stock Purchase Plan, or other equity incentive plans that we may adopt in the future. Any such sales or issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

In addition, our charter authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations, and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of our common stock. Designation and issuance of one or more classes or series of preferred stock could adversely affect the voting power or value of our common stock.



***We do not intend to pay dividends on our common stock and, consequently, our stockholders' return on investment will depend on appreciation in the price of our common stock.***



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We have never declared or paid any dividends on our common stock. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. As a result, you may only receive a return on your investment in our common stock if the market price of our common stock increases.



***We cannot guarantee that our stock repurchase program programs will be fully consummated or will enhance long-term stockholder value, and stock repurchases could increase the volatility of our stock prices and could diminish our cash reserves.***

In May 2022, our board of directors approved a stock repurchase program under which we are authorized to purchase up to $75.0 million of our common stock from time to time. time, of which there was a total of $10.5 million remaining for repurchase under the stock repurchase program as of December 31, 2023. In January 2024, our board of directors approved an additional stock repurchase program under which we are authorized to purchase up to $125.0 million of our common stock. In February 2024, we completed an underwritten secondary offering for the sale of 6,906,015 shares of common stock by certain of our existing stockholders, at an offering price of $19.00 per share, or the Secondary Offering, during which we used approximately $44.0 million of our stock repurchase program for the stock repurchase in connection with the Secondary Offering. Our repurchase program does programs do not have an expiration date and does do not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares, on any particular timetable or at all. There can be no assurance that we will repurchase stock at favorable prices. Further, our stock repurchases could affect our stock trading prices, increase their volatility, reduce our cash reserves, and may be suspended or terminated at any time, which may result in a lower market valuation of our common stock. We are currently evaluating Additionally, we do not anticipate that the impacts of the IRA's excise tax on our stock repurchase program, however do not currently expect programs, or the new law final regulations to be issued by the United States Department of the Treasury concerning the excise tax, will have a material impact on our results of operations.

***Delaware law and certain provisions in our charter and bylaws could delay, discourage, or prevent a change in control of our company.***

Our status as a Delaware corporation and the existence of certain provisions of our charter and bylaws contain provisions that could delay, discourage, or prevent a change in control of our company that a stockholder may consider favorable. These provisions include:

- a classified board of directors with three-year staggered terms;
- after Thoma Bravo ceases to beneficially own at least 30% of the outstanding shares of our common stock, the removal of directors only for cause and subject to the affirmative vote of holders of at least 66 2/3% of our voting power;



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- the ability of our board of directors to both issue shares of preferred stock and determine the price and other terms of those shares without stockholder approval;
- allowing Thoma Bravo to fill any vacancy on our board of directors for so long as affiliates of Thoma Bravo own 30% or more of our outstanding shares of common stock and, thereafter, allowing only our board of directors to fill vacancies on our board of directors;
- after Thoma Bravo ceases to beneficially own at least a majority of the outstanding shares of our common stock, a prohibition on stockholder action by written consent;
- after we cease to be a controlled company, the requirement that a special meeting of stockholders may be called only by our board of directors, the chairperson of our board of directors, our chief executive officer, or our president (in the absence of a chief executive officer);
- after we cease to be a controlled company, the requirement for the affirmative vote of holders of at least 66 2/3% of our outstanding voting stock, voting together as a single class, to amend the provisions of our charter relating to the management of our business or the requirement for the affirmative vote of holders of at least 75% of our outstanding voting stock, voting together as a single class, to amend certain provisions of our bylaws;
- the ability of our board of directors to amend our bylaws;
- advance notice procedures for stockholders to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting; and
- prohibition of cumulative voting in the election of our board of directors.



Our charter also provides us with protections similar to Section 203 of the Delaware General Corporation Law and prevents certain business combinations with a stockholder owning at least 15% of our outstanding voting stock, unless approved in a prescribed manner. Our charter also provides, however, that transactions with Thoma Bravo, including the Thoma Bravo Funds and any persons to whom any Thoma Bravo Fund sells its common stock, will be deemed to have been approved by our board of directors.

While these provisions may protect our stockholders from coercive or otherwise unfair takeover tactics, these provisions could also delay, discourage, or prevent a change in control transaction or changes in our board of directors that some stockholders may consider beneficial or prevent our stockholders from receiving a premium over the market price of our common stock that they might otherwise receive.



***Our bylaws designate the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial***



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***forum for disputes with us.***

Our bylaws provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for state law claims for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a breach of fiduciary duty by one or more of our directors, officers or employees, (iii) any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine. The choice of forum selection clause may impose additional litigation costs on stockholders, discourage claims, or limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Although this provision may be beneficial in its consistency in the application of Delaware law, the Court of Chancery of the State of Delaware may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders. Alternatively, if the enforceability of the choice of forum provision contained in our bylaws is challenged and a court finds such provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. Our bylaws further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. This provision would not apply to any action brought to enforce a duty or liability created by the Exchange Act and the rules and regulations thereunder. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

**Risk Management and Strategy**

We take seriously the security of the data entrusted to us by our customers and the confidentiality, integrity, and availability of our platforms. We have integrated cybersecurity risk management into our broader enterprise risk management framework in an effort to protect our applications, networks, and systems from risks from cybersecurity threats. This strategic integration allows cybersecurity risk management to inform early decision-making processes across the organization.

We recognize the ever-evolving nature of cybersecurity risks. Our cybersecurity risk management program leverages recognized industry standards and incorporates elements of the same, including elements of the National Institute of Standards and Technology (NIST) Cybersecurity Framework. MeridianLink also conducts periodic penetration testing and operates a bug bounty program to expose weaknesses in our applications, networks, and systems before they can be exploited by malicious actors. Our Governance, Risk, and Compliance, or GRC team, in close collaboration with our Security Operations and Engineering teams, monitors and mitigates evolving risks from cybersecurity threats, prioritizing alignment with our business objectives and operational needs. We view cybersecurity risk management as a shared responsibility, and at a management level, we periodically perform tabletop exercises which simulate real-world cyberattacks.

We also strategically partner with third-party cybersecurity consultants, assessors, and auditors in evaluating and testing our cybersecurity risk management processes and controls. These strategic partnerships are catalysts for the continuous



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improvement of our cybersecurity risk management posture. Through audits, threat assessments, and collaborative brainstorming sessions on cybersecurity enhancements, these collaborative partnerships help us bridge knowledge gaps, identify best practices and refine our cybersecurity strategies and processes. Further, we leverage these partnerships to identify cybersecurity vulnerabilities and weaknesses and improve our cybersecurity posture.

As part of our cybersecurity risk management program, we maintain processes to proactively manage potential risks posed by third-party vendors. This involves conducting cybersecurity assessments before onboarding any vendor that may have access to our systems, applications, or data, followed by ongoing monitoring by our GRC team and periodic assessments to evaluate these onboarded vendors' compliance with our cybersecurity standards.



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We have not identified any cybersecurity incidents or threats that have materially affected us or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition. However, like other companies in our industry, we and our third-party vendors have from time to time experienced threats and security incidents that could affect our information or systems. For more information about the cybersecurity risks we face, see the risk factors in Item 1A- Risk Factors.

**Governance**

Our board of directors is aware of the importance of managing the evolving and complex cybersecurity threat landscape, and has established oversight measures designed to manage associated cybersecurity risks. The Cybersecurity Committee is a decision-making body formed by our board that is tasked with advising and assisting the Chief Information Security Officer, or CISO, on cybersecurity matters and integrating major cybersecurity initiatives into our broader strategy. The Cybersecurity Committee is composed of board members whose backgrounds collectively include experience in risk management, technology, and finance.

Our CISO leads our cybersecurity risk management program. The individual currently serving in this role has over 20 years of experience designing and building cybersecurity programs, and his background spans multiple industries such as fintech, SaaS, energy/utilities, legal and managed security services. The CISO establishes and supervises procedures for the evaluation of our information systems, including the use of security tools and system reviews designed to spot potential weaknesses. The CISO works to keep up to date with the latest trends in cybersecurity, such as emerging risks and best practices for cybersecurity risk management. In case of a cybersecurity incident, the CISO initiates our incident response plan in an effort to respond to the incident and to reduce the potential damage to our organization.

The CISO briefs the Cybersecurity Committee on cybersecurity risks on at least a quarterly basis. These briefings encompass a range of topics, including, as appropriate, key cybersecurity metrics, the current cybersecurity landscape and emerging threats, the status of ongoing cybersecurity initiatives and strategies, and incident management reports and lessons learned from cybersecurity events. The Cybersecurity Committee and CISO also maintain a continuous dialogue on potential threats. The Cybersecurity Committee annually assesses MeridianLink's cybersecurity posture and risk



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management efficacy, leading to improvement efforts. The Cybersecurity Committee chair and/or our General Counsel conveys certain cybersecurity updates on the CISO's behalf during board meetings.

**Item 2. Properties**

Our corporate headquarters is located in Costa Mesa, California, where we currently lease approximately 19,838 square feet pursuant to a lease agreement that expires in February 2025, and previously leased an additional office nearby comprising approximately 36,607 square feet pursuant to a lease agreement that expired in December 2022. 2025. We also lease additional facilities in Atlanta, Georgia, Baton Rouge, Louisiana, and Reston, Virginia.

We believe that our facilities are suitable to meet our current needs. As our business grows, we will evaluate whether to expand our physical facilities. We believe that, if we need to add new facilities, suitable additional or alternative space will be available as needed to accommodate any such growth.

**Item 3. Legal Proceedings**

We are not currently a party to any litigation or claims that, if determined adversely to us, would have a material adverse effect on our business, operating results, financial condition, or cash flows. We are, from time to time, party to litigation and subject to claims in the ordinary course of business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

**Item 4. Mine Safety Disclosures**

Not applicable.



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**PART II. II**

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

***Market Information for Common Stock***

Our common stock has been listed on the New York Stock Exchange under the symbol “MLNK” since July 28, 2021. Prior to that date, there was no public trading market for our common stock. Our common stock was priced at $26.00 per share in our initial public offering on July 28, 2021.

***Holders of Record***

As of March 3, 2023 March 7, 2024, there were 61 44 registered stockholders of record of our common stock. We believe a substantially greater number of beneficial owners hold shares in street name through brokers, banks or other nominees.



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This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

***Dividend Policy***

We have never declared or paid any cash dividend on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not expect to pay any dividends on our common stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions, and other factors that our board of directors may deem relevant.

***Performance Graph***

The following shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or incorporated by reference into any of our other filings under the Exchange Act, or the Securities Act.

The performance graph below compares the cumulative total stockholder return on our common stock with the cumulative total return on the Russell 2000 Index and the S&P 1500 Application Software Index. The graph assumes $100 was invested at the market close on July 28, 2021, which was our initial trading date, in our common stock. Data for the Russell 2000 Index and the S&P 1500 Application Software Index assume reinvestment of dividends, if any. Our offering price of our common stock in our initial public offering, which had a closing stock price of $24.60 on July 28, 2021, was $26.00 per share.



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The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our common stock.

| Base Period July 28, 2021 | September 30, 2021 | December 31, 2021 | March 31, 2022 | June 30, 2022 | September 30, 2022 | December 31, 2022 |
|---|---|---|---|---|---|---|



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| | Base Period July 28, 2021 | | | | | | | Base Period July 28, 2021 | December 31, 2021 | December 31, 2022 | December 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| MeridianLink, Inc. | MeridianLink, Inc. | $100 | $ 91 | $ 88 | $ 74 | $68 | $ 66 | $ 56 | | | |
| Russell 2000 Index | Russell 2000 Index | 100 | 99 | 101 | 93 | 77 | 75 | 79 | | | |
| S&P 1500 Application Software Index | S&P 1500 Application Software Index | 100 | 100 | 103 | 85 | 69 | 64 | 67 | | | |

***Recent Sales of Unregistered Securities***

None.

***Purchases of Equity Securities by the Issuer and Affiliated Purchasers***

The following table summarizes the stock repurchase activity for the three months ended December 31, 2022 December 31, 2023:

| Period | Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Programs | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in thousands) (1) | Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Programs | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in thousands) (1) |
|---|---|---|---|---|---|---|---|---|---|---|
| October 1 to October 31, 2022 | | — | $ — | 16,703 | $ 74,737 | | | | | |
| November 1 to November 30, 2022 | | 96,199 | $14.85 | 112,902 | $ 73,359 | | | | | |
| December 1 to December 31, 2022 | | 124,739 | $14.00 | 237,641 | $ 71,625 | | | | | |
| October 1 to October 31, 2023 | | | | | | | | | | |



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| | | | | | | |
|---|---|---|---|---|---|---|
| November 1 to November 30, 2023 | | | | | | |
| December 1 to December 31, 2023 | | | | | | |
| Total | Total | 220,938 | $ — | 237,641 | $ | 71,625 |

(1) In May 2022, our board of directors authorized a stock repurchase program to acquire up to $75.0 million of our common stock, with no fixed expiration date. In January 2024, our board of directors approved an additional stock repurchase program under which we are authorized to purchase up to $125.0 million of our common stock. Shares may be repurchased through privately negotiated transactions, or open market purchases, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934.



***Equity Compensation Plan Information***



The information required by Item 5 of Form 10-K regarding equity compensation plans is incorporated herein by reference to Item 12 of Part III of this Annual Report on Form 10-K.

## Use of Proceeds from Public Offering of Common Stock

On July 30, 2021, we completed our IPO through an underwritten sale of 13.2 million shares of our common stock. We sold 10.0 million of such shares at a price of $26.00 share and existing stockholders sold an aggregate of 4.4 million of shares, inclusive of the underwriters' option to purchase additional shares that was partially exercised in August 2021. The IPO generated net proceeds to us of approximately $242.1 million, after deducting $17.9 million in underwriting discounts and commissions and offering costs, which have been recorded against the proceeds received from the offering.



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The proceeds to us were used in line with the section titled “Use of Proceeds” in the prospectus for our IPO. All of the shares issued and sold in the offering were registered under the Securities Act pursuant to a Registration Statement on Form S-1 (File No. 333-255680), which was declared effective by the SEC on July 27, 2021. BofA Securities, Inc., Credit Suisse Securities (USA) LLC, and Barclays Capital Inc. acted as joint book-running managers of the offering and as representatives of the underwriters. No offering expenses were paid directly or indirectly to any of our directors or officers, or their associates, or persons owning 10% or more of any class of our equity securities or to any other affiliates.

There has been no material change in the planned use of proceeds from our IPO as described in the final prospectus dated July 27, 2021 and as filed with the SEC on July 28, 2021 pursuant to Rule 424(b) under the Securities Act (“Prospectus”). As of December 31, 2022, we have used $200.0 million of the net offering proceeds to repay borrowings under our 2018 First Lien and Second Lien credit agreements, and the remaining amount to partially fund the acquisitions of StreetShares and OpenClose.

**Item 6. [Reserved]**

Not applicable.



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**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. When reviewing the discussion below, you should keep in mind the substantial risks and uncertainties that could impact our business. In particular, we encourage you to review the risks and uncertainties described in the section titled “Risk Factors” included elsewhere in this Annual Report on Form 10-K. These risks and uncertainties could cause actual results to differ materially from those projected in forward-looking statements contained in this report or implied by past results and trends. Our fiscal year ends on December 31. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.*

**Overview**

We are a leading provider of secure, cloud-based software solutions for financial institutions, including banks, credit unions, mortgage lenders, specialty lending providers, and credit reporting agencies, or CRAs. Financial institutions are undergoing digital transformation as they seek to transition business models, create new revenue streams, and increase customer engagement. We support our customers’ digital transformations by helping them create a superior consumer experience with our mission-critical loan origination system, or LOS, digital lending platform, data verification solutions, and data analytics. Our solutions allow our customers to meet their clients’ financial needs across the institution, which enables improved client acquisition and retention. Additionally, our solutions allow our customers to operate more efficiently by enabling automated loan decisioning and enhanced risk management.



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The effective delivery and management of secure and advanced digital solutions in the complex and heavily regulated financial services industry requires significant resources, personnel, and expertise. We provide digital solutions that are designed to be highly configurable, scalable, and adaptable to the specific needs of our customers. We design and develop our solutions with an open platform approach intended to provide comprehensive integration among our solution offerings and our customers' internal systems and third-party systems. Our multi-product platform, MeridianLink One, can be tailored to meet the needs of our customers as they digitally transform their organizations and adapt to changing business and consumer demands. Moreover, our expert consultants offer strategic guidance and customized solutions through our modular platform to help our customers more quickly reduce costs and increase revenue, efficiency, and customer satisfaction. satisfaction of their clients.

Our solutions are central to the financial institution's technology ecosystem and help drive additional business volume for our customers both directly and indirectly through our Partner Marketplace. Our omni-channel borrowing experience seamlessly integrates all the touch points a borrower may have with the financial institution (remote via the web or an app, in person at a branch, or telephonically through an operator). In addition to our streamlined workflow, which has been refined over twenty years with input from across our customer base, our Partner Marketplace provides our customers optional integrations, the collective capabilities of which we believe further distinguish our solution from that of competitors.

We deliver our solutions to the substantial majority of our customers using a SaaS model under which our customers pay subscription fees for the use of our solutions as well as fees for transactions processed using our solutions. Our subscription fees consist of revenues from software solutions that are governed by pricing and terms contained in contracts between us and our customers. The initial term of our contracts is typically three years, but may range from one to seven years. Our customer contracts are typically not cancellable without penalty. Our contracts almost always contain an evergreen auto-renewal term that is often for a one-year extension after the initial term, but can extend the auto-renewal of the contract up to the length of the original term. Our subscription fee revenues include annual base fees, platform partner fees, and, depending on the product, fees per search or per loan application or per closed loan (with contractual minimums based on volume) that are charged on a monthly basis, which we refer to as volume-based fees. We earn additional revenues based on the volume of applications or closed loans processed above our customers' contractual minimums.

As a result of this pricing approach, our revenues from our customers grow as our customers add additional transaction types, purchase more modules, utilize more of our partner integrations, or see increased transaction volume. We generally sell our solutions through our direct sales organization or channel partners and recognize our subscription fee revenues over the terms of the customer agreements.



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Our revenues per customer vary from period to period based on the length and timing of customer implementations, sales of additional solutions to existing customers, changes in the number of transactions processed (including impacts from



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seasonality and cyclicality), and variations among existing customers and new customers with respect to the mix of purchased solutions and related pricing.

We seek to strengthen and grow our customer relationships by providing consistent, high-quality implementations and customer support services, which we believe drive higher customer retention and incremental sales opportunities within our existing customer base. We have invested in migrating migrated our solutions onto the public cloud, which helps to extend our innovation and security posture. We believe that our increased focus on our go-to-market strategy and strategic partnerships will drive incremental opportunities for revenue and accelerate client customer cross-sell growth.

In addition, we believe there is untapped market potential in the loan origination and digital banking markets. We believe significant opportunity for additional customer acquisition and revenue growth exists as financial institutions continue to adopt online lending and account opening practices and require more efficient technologies. We provide these services to institutions of all sizes and complexities, but currently focus on the middle market. By focusing on better sales execution, providing and allocating resources where needed, and improving marketing efforts, we are confident in our ability to expand our customer base within our current target market.

We cater largely to financial institutions such as community banks and credit unions with assets under management between $100 million and $10 billion. For these institutions, lending is the single most important revenue driver with approximately 70% of bank revenue coming from lending, according to the FDIC as of the first quarter of 2023. In recent years, community banks have continued to compete with their typically larger non-community bank competitors, andthe FDIC reported that, in 2019, net interest income accounted for over 78 percent of community bank net operating revenues. competitors. A large opportunity exists in expanding our target market to new customers with less than $100 million or greater than $10 billion in assets under management. In our down-market, smaller institutions commonly use spreadsheets or other inexpensive alternatives. These companies have a smaller volume of loans per month, but there is opportunity to alter our solutions to offer decreased pricing and functionality in order to lower implementation fees.

We have a build, buy, or partner capital allocation strategy for delivering value to customers and stockholders. For more than two decades, we have continuously invested in expanding and improving our solutions since they were first introduced more than two decades ago, and we intend to continue investing both organically and inorganically through acquisitions to expand our portfolio. We are focused on introducing new solutions portfolio capabilities and enhancing services and capabilities in areas including digital lending, data insights, and collections to further expand our reach into the consumer lending markets. For example, we designed a patented debt optimization engine to deepen the integration of our data verification and LOS solutions to empower loan officers to maximize loan acceptance rates, boost cross-sell opportunities, and deepen their relationships with clients.

In addition to developing our solutions organically, such as the combination of our capabilities to create our patented consumer debt optimization functionality, we may selectively pursue acquisitions, joint ventures, or other strategic transactions that provide additional capabilities or customers, or both. Acquisitions to date have included CRIF Lending Solutions, or CRIF, in June 2018, and our closest competitor in consumer lending at the time. In November 2020, we acquired Teledata Communications, Inc., or TCI, in November 2020. TCI is the creator of DecisionLender, a SaaS loan origination solution. We believe an industry-trusted LOS that with the addition of TCI, improved our position as a vendor of choice is enhanced among financial institutions seeking solutions to manage their needs from initiation of client relationships to facilitating the extension of credit to their clients. indirect lending capabilities. In December 2020, we acquired all of the assets of TazWorks, LLC, or TazWorks. TazWorks provides software and data solutions to CRAs focused on the employment and tenant screening market, a market that is adjacent and complementary to our current solutions for



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credit-focused CRAs. In April 2021, we acquired Saylent, a data analytics and marketing solution that offers insights to financial institutions that help drive account and credit and debit card usage and enabled us to more rapidly bring to market our MeridianLink Engage product. In April 2022, we acquired StreetShares, Inc., or StreetShares, a financial technology company that offers digital small business lending technology to banks and credit unions. The acquisition complements our existing lending platform and enhances our small business lending MeridianLink Business capabilities. In November 2022, we acquired Beanstalk Networks LLC, doing business as OpenClose, or OpenClose, a leader in mortgage lending technology, with a particular focus on supporting depository institutions. This transaction is expected to improve has improved our platform by providing additional advanced, more open, and more customer-friendly capabilities, particularly through our Point of Sale solution. In addition to improving our capabilities, this transaction is expected to present benefits of increased scale solution, MeridianLink Mortgage Access, and help has helped solidify our position in the market by allowing us to target additional sales to depository institutions. market.

We have designed our Partner Marketplace to act as the gateway for third parties to access our customers, which allows our customers to leverage the capabilities from these third parties to enable an accelerated loan process with improved efficiency and reduced cost. We are able to capitalize on one-time service fees from our partners upon their integration into our Partner Marketplace and a revenue share from our partners as they derive revenues from our software solution. solutions. As we grow our business, we expect to add additional product partners and drive additional monetization opportunities. We also intend to cultivate and leverage existing and future partners to grow our market presence.

We believe that delivery of consistent, high-quality implementations and customer support services is a significant driver of purchasing and renewal decisions of our prospects and customers. To develop and maintain a reputation for high-quality



service, we seek to build deep relationships with our customers through our customer support organization, which we staff



with personnel who are motivated by our common mission of using technology to help our customers succeed and who are knowledgeable with respect to the regulated and complex nature of the financial services industry. As we grow and scale our business, we intend to continue to invest in and grow our internal services and support organization, as well as partner with high quality third-party organizations, to support our customers' needs and maintain our reputation.



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**Global Considerations**

***Economic Uncertainty, Rising Inflation, and Increasing Interest Rates***

We are also closely monitoring the recent volatility in capital markets and the increased economic uncertainty in the United States. These developments have led to higher inflation and increased uncertainty about business continuity. Additionally, interest rates, including for mortgages and consumer lending, have risen from historic lows and may increase further in the future. These factors may adversely affect our business and our results of operations. As our customers react to global economic conditions and the potential for a global recession, we may see reduced spending on our products and, therefore, may take additional precautionary measures to limit or delay expenditures and preserve capital and liquidity.

Inflation rates, particularly in the United States, have increased recently to multi-year highs. Increased inflation may result in decreased demand for mortgages and consumer lending, increased operating costs (including our labor costs), reduced liquidity, and limitations on our ability to access credit or otherwise raise debt and equity capital. In addition, the United States Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may cause us to experience lower than expected volumes if there is a decrease in customer spending.

As economic conditions continue to change quickly and are subject to rapid and possibly material change, we will continue to actively monitor these factors and may take actions that alter our business operations as we may determine are in the best interests of our customers and stockholders.

***Impact of the COVID-19 Pandemic***

The COVID-19 pandemic has had widespread, rapidly-evolving, and unpredictable impacts on global societies, economies, financial markets, and business practices (including in California where our corporate headquarters are located). Our focus remains on promoting employee health and safety, serving our customers, complying with regulations, and ensuring business continuity. While the impacts of the COVID-19 pandemic have not caused a material adverse financial impact to our business to date, the future impacts remain uncertain. The extent to which the COVID-19 pandemic may impact our business going forward will depend on numerous evolving factors that we cannot reliability predict, including factors that may adversely impact business spending on technology, and customers' ability to pay for our products and services on an ongoing basis. See Part I, Item 1A. "Risk Factors" for further discussion of the impact and possible future impacts of the COVID-19 pandemic on our business.

***Recent Developments***

**Organizational Realignment Plan**

In February 2023, the Company's January 2024, our board of directors authorized a restructuring an organizational realignment plan or the "Restructuring "2024 Realignment Plan", that is designed to consolidate the Company's functions manage operating costs, enable efficient delivery on business objectives, and investments to prioritize customer-centric allow for growth in areas of the Company's organization, align teams with the Company's highest business priorities, and improve efficiencies. strategic importance. The Restructuring 2024 Realignment Plan includes a reduction of the Company's our current workforce by approximately 9%.

The Company estimates We estimate that it we will incur charges of approximately $2.5 million $3.3 million to $3.5 million $4.3 million in connection with the 2024 Realignment Plan, consisting primarily of cash expenditures and relating to employee severance payments, employee benefits, and employee transition costs.



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The actions associated with the workforce reduction under the 2024 Realignment Plan are expected to be substantially complete by the end of the first quarter of 2023, 2024, subject to local law and consultation requirements.

The estimates of the charges and expenditures that the Company expects we expect to incur in connection with the 2024 Realignment Plan, and timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual amounts may differ from the estimates discussed above.

**January 2024 Stock Repurchase Program**

In January 2024, our board of directors authorized a new stock repurchase program to acquire up to $125.0 million of our common stock, with no fixed expiration date and no requirement to purchase any minimum number of shares, or the 2024 Stock Repurchase Program. Shares may be repurchased under the 2024 Stock Repurchase Program through privately negotiated transactions, or open market purchases, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act. Any shares of common stock repurchased under the 2024 Stock Repurchase Program will be retired and automatically returned to the status of authorized but unissued shares of common stock. Approximately $44.0 million of the 2024 Stock Repurchase Program was used for the stock repurchase in connection with the Secondary Offering, as described below.



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**We may not be able Secondary Offering by Selling Stockholders and Related Common Stock Repurchase**

On February 9, 2024, we completed an underwritten secondary offering for the sale of 6,906,015 shares of common stock by certain of our existing stockholders, at an offering price of $19.00 per share, or the “Secondary Offering”. In connection with the Secondary Offering, selling stockholders granted the underwriters a 30-day option to fully realize the benefits initially anticipated purchase up to an additional 675,000 shares of common stock from the Plan, selling stockholders at the public offering price, less underwriting discounts and commissions. We did not receive any proceeds from the expected costs may be greater than expected. See Part I, Item 1.A. “Risk Factors” for further discussion on sale of our common stock by the impact selling stockholders in the Secondary Offering and possible future impacts will not receive any proceeds from sales of our common stock by the selling stockholders upon the exercise of the Plan on underwriters’ option to purchase additional shares.

On February 9, 2024, in connection with the Secondary Offering and pursuant to our business.

**Key Operating Measures**

In addition 2024 Stock Repurchase Program, we repurchased 2,406,015 shares of our common stock from the underwriters at a price per share equal to $18.2875, which is equal to the GAAP measures described below in “—Components of Operating Results,” we monitor per share price at which the following operating measures to evaluate growth trends, plan investments, and measure underwriters purchased the effectiveness of our sales and marketing efforts:



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***Annual Recurring Revenue***

We calculate annual recurring revenue, or ARR, as shares from the total subscription fee revenues calculated selling stockholders in the latest twelve-month measurement period for those revenue-generating entities Secondary Offering, resulting in place throughout an aggregate purchase price of approximately $44.0 million.

The Secondary Offering was made pursuant to an effective shelf registration statement on Form S-3 (Registration No. 333-276336), which was filed with the entire twelve-month measurement period plus the subscription fee revenues calculated Securities and Exchange Commission on an annualized basis from new entity activations in the measurement period. We believe that the annualized subscription fee revenues calculated from these new activations in a particular measurement period provide a reasonable estimate of the total subscription fee revenues to be recognized from these entities once they are on our platform for a full twelve-month period due to the long-term nature of our agreements and the volume-based aspect of our pricing model. Although our business can be impacted by seasonality of consumer borrowing trends, we anticipate the impacts of any seasonality to be comparable on a period-to-period basis. Our calculation includes only subscription fee revenues and excludes any professional services revenues and other revenues. We believe ARR is an important metric indicating the scale and growth of our business. Our ARR was $258.9 million, $240.1 million, and $193.0 million as of December 31, 2022, 2021, and 2020, respectively. Our use of ARR has limitations as an analytical tool, and investors should not consider it in isolation. Other companies in our industry may calculate annual recurring revenue differently, which reduces its usefulness as a comparative measure. We have refined our methodology for calculating ARR as reflected in the above recalculated numbers for historical periods.

***Total Customers***

We define a customer as a legal entity that has a contractual relationship with us to use our software solutions. A single entity could have agreements across multiple lines of business, all of which together would be considered a single customer. The net rate at which we add customers varies based on our implementation capacity, the size and unique needs of our customers, the readiness of our customers to implement our solutions, customer acquisition through any strategic transactions we complete, and customer attrition, including as a result of merger and acquisition activity among financial institutions whereby the acquirer requests assignment of the agreement to the resulting entity or a renegotiation of the acquirer’s agreement to include the acquired company’s activities. We believe the number of total customers is a key indicator of our market penetration, growth, and future revenues. Our ability to attract new customers is primarily impacted by the effectiveness of our marketing programs and our direct sales force. Accordingly, we have invested in and intend to continue to invest in our marketing programs and direct sales force. We had 2,034, 1,901, and 1,852 customers on our platform as of December 31, 2022, 2021, and 2020, respectively.

***Organic Customer Growth Rate***

We utilize our organic customer growth rate to not only monitor the satisfaction of our customers but also to measure our ability to successfully bring new customers on board and evaluate the effectiveness of our business strategies. We define organic customer growth rate as the percentage increase in the number of total customers on the last day of the measurement period compared to the number of total customers on the day twelve months prior to the measurement date, which measures the change in total customers, net of both customer terminations and customer additions between the respective measurement periods. Our organic customer growth rate calculation excludes and will exclude the impact of any acquisitions or divestitures. We had an organic customer growth rate of 2.2% for the measurement period ended December 31, 2022 and December 31, 2021 December 29, 2023, and 2.0% for the measurement period ended December 31, 2020. Our use of organic customer growth rate has limitations as an analytical tool, and investors should not consider it in isolation.



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***ARR Net Retention Rate***

We have refined our calculation of the ARR Net Retention Rate by calculating the ARR recorded in the latest twelve-month measurement period for the cohort of revenue-generating entities in place throughout the entire prior twelve-month measurement period. We divide the result by the cohort's ARR recorded in the twelve-month period that is immediately



prior to the beginning of the current measurement period. This calculation refinement will allow us to capture future retention analytics through time for each cohort. Our ARR Net Retention Rate was 96% for the year ended December 31, 2022 and 103% for the year ended December 31, 2021. Our ARR Net Retention Rate provides insight into growth in the usage of our solutions, sales of new solutions, and services into revenue generating entities during the current year and attrition. Our previous ARR Net Retention Rate for 2020 of 120% was calculated according to our prior calculation methodology at an aggregated entity level.

The most significant drivers of improvements in our ARR Net Retention Rate each year are the increases in adoption of additional solutions such as additional products, channels, loan types, or modules, the increase in volume transacted became effective on our systems, and price increases. The most significant factors in the decrease in ARR Net Retention Rate are customer attrition and reduced volume transacted on our systems either due to decreased product usage or lower transaction volumes. Our use of ARR Net Retention Rate has limitations as an analytical tool, and investors should not consider it in isolation. Other companies in our industry may calculate revenue retention rate differently, which reduces its usefulness as a comparative measure. January 8, 2024.

**Components of Operating Results**

We have one primary business activity and operate in a single operating and reportable segment.

***Revenues***

Our revenues consist of three components: subscription fees, professional services, and other revenues.

*Subscription Fee Revenues*

Our subscription fees consist of revenues from software solutions that are governed by pricing and terms contained in contracts between us and our customers. Our subscription fee revenues include annual base fees, platform partner fees, and, depending on the solution, fees per search or per application or per closed loan (with contractual minimums based on volume) that are charged on a monthly basis, which we refer to as volume-based fees.

Our software solutions are primarily hosted in cloud-based hosting services and are generally available for use as hosted application arrangements under subscription fee agreements. Our software solutions consist of an obligation for us to provide continuous access to a technology solution that it hosts and routine customer support, both of which we account for



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as a stand-ready performance obligation. Subscription fees from these applications are recognized over time on a ratable basis over the customer agreement term generally beginning on the date our solution is made available to the customer. Amounts that have been invoiced are recorded in accounts receivable and deferred revenues revenue or revenues, depending on whether the revenue recognition criteria have been met. Revenue that is earned but not yet invoiced is recorded in accounts receivable. For the majority of our customers, additional fees for monthly usage above the levels included in the standard subscription fee are recognized as revenue in the month when the usage amounts are determined and reported. Certain of our subscription contracts are invoiced to our customers annually, and revenue is recognized ratably over the service term.

In determining whether SaaS services are distinct, we considered whether the series guidance applies to our subscription services. We considered various factors including that substantially all our SaaS arrangements involve the transfer of a service to the customer, which represents a performance obligation that is satisfied over time because the customer simultaneously receives and consumes the benefits of the services provided. Customer support services, forms maintenance, and subscription services are considered a series of distinct services that are accounted for as a single performance obligation, as the nature of the services are substantially the same and have the same pattern of transfer (i.e., distinct days of service). For these contracts, we allocate the ratable portion of the consideration to each period based on the services provided in such period.

We have concluded that our subscription fees related to monthly usage relate specifically to the transfer of the service to the customer in that month and are consistent with the allocation objective of ASC 606 when considering all the performance obligations and payment terms in the contract. Therefore, we generally recognize additional usage revenues in the month when the usage amounts are determined and reported. This allocation reflects the amount we expect to receive for the services for the given period.

We have a limited number of legacy customers that host and manage their solutions on-premises under term license and maintenance agreements. This type of arrangement is no longer sold and represents an immaterial amount of our subscription fee revenues. However, there is no planned sunset or end of life for these on-premises solutions.



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*Professional Services Revenues*

We offer implementation, configuration, consulting, and training services for our software solutions and SaaS offerings. Revenues from our professional services are recognized as control is transferred to the customer. customer, which can be either at a point in time or over time, depending on the nature of the contractual performance obligations.

In determining whether implementation services are distinct from subscription services, we considered that there is not a significant level of integration between implementation and subscription services. Further, implementation services in our contracts provide benefit to the customer with other readily available resources and the implementation services generally are not interdependent with the SaaS subscription services. Therefore, implementation services are generally accounted for



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as a separate performance obligation, as they represent distinct services that provide benefit to the customer apart from SaaS services.

Consulting and training services are generally considered a separate performance obligation as they are considered distinct services that provide a benefit to the customer on their own.

*Other Revenues*

We enter into referral and marketing agreements with various third parties, in which revenues are primarily generated from transactions initiated by the third parties' customers. We may introduce our customers to a referral partner or offer additional services available from the referral partner via an integration with our software solutions. We market our partners' solutions to our customers as a way not only to generate revenue but also to ensure that our customers are leveraging the full benefit of our solution, which includes the capabilities offered through our partners. Revenues are recognized in the period the services are performed, provided that collection of the related receivable is reasonably assured. probable.

***Cost of Revenues***

Cost of revenues consists primarily of salaries and other personnel-related costs, including employee benefits, bonuses, and share-based compensation for employees providing services to our customers. This includes the costs of our



implementation, customer support, data center, and customer training personnel. Additional expenses include fees paid to third-party vendors in connection with delivering services to customers.

Cost of revenues also includes cloud-based hosting services, an allocation of general overhead costs, and the amortization of developed technology. We allocate general overhead expenses to all departments based on the number of employees in each department, which we consider to be a fair and representative means of allocation.

We capitalize certain software development costs related to programmers, software engineers, and quality control teams working on our software solutions. We commence amortization of capitalized costs for solutions that have reached general release. Capitalized software development costs are amortized to cost of revenues over their estimated economic lives.

We intend to continue to increase our investments in our implementation and customer support teams and technology infrastructure to serve our customers and support our growth. We expect cost of revenues to continue to grow in absolute dollars as we grow our business.

***Gross Profit and Gross Margin***

Gross profit is revenues less cost of revenues, and gross margin is gross profit as a percentage of revenues. Gross profit has been, and will continue to be, affected by various factors, including the mix of our subscription fees, professional service and other revenues, the costs associated with our personnel, third-party vendors, and cloud-based hosting services, and



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the extent to which we expand our implementation and customer support services. We expect that our gross margin profit will fluctuate from period to period depending on the interplay of these various factors. Our gross margin was 63.1%, 66.5%, and 70.7% for the years ended December 31, 2022, 2021, and 2020, respectively.

***Operating Expenses***

*General and Administrative*

General and administrative expenses consist primarily of salaries, and other personnel-related costs, including employee benefits, bonuses, and share-based compensation, of our administrative, finance and accounting, information systems, legal, and human resources employees. General and administrative expenses also include consulting and professional fees, insurance, franchise taxes, travel, and travel. credit loss expense.



General and administrative expenses include depreciation and amortization of property and equipment and amortization of acquired intangibles. intangible assets. Identifiable intangible assets with finite lives, such as customer relationships, trademarks, and non-competition agreements, are amortized over their estimated useful lives on either a straight-line or accelerated basis, depending on the nature of the intangible asset.

We continue to incur incremental expenses associated with the growth of our business and to meet increased compliance requirements associated with operating as a public company. These expenses include costs to comply with Section 404 of the Sarbanes-Oxley Act and other regulations governing public companies, increased costs of investor relations activities, and investments to drive scalability. As a result, we expect our general and administrative expenses to increase in absolute dollars, but to decrease as a percentage of revenues over the long term as we scale the business and continue to adjust to being a public reporting company.

*Research and Development*

Research and development expenses include salaries and other personnel-related costs, including employee benefits, bonuses, and share-based compensation. Research and development expenses also include third-party contractor expenses, software development costs, allocated overhead, and other related expenses incurred in developing new solutions and enhancing existing solutions.

Certain research and development costs that are related to our internal software development, which include salaries and other personnel-related costs attributed to certain programmers, software engineers, and quality control teams, are capitalized and are included in intangible assets, net on the consolidated balance sheets.

We believe that continuing to improve and enhance our solutions is essential to maintaining our reputation for innovation and growing our customer base and revenues. We plan to continue investing in research and development by increasing our



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software development capacity. As a result, we expect our research and development expenses to increase in absolute dollars, over the long term as we scale the business, including through integration of our acquisitions.

*Sales and Marketing*

Sales and marketing expenses consist primarily of salaries and other personnel-related costs, including commissions, employee benefits, bonuses, and share-based compensation. Sales and marketing expenses also include expenses related to advertising, lead generation, promotional event programs, corporate communications, travel, outside consulting fees, and allocated overhead. Commissions related to software sales are generally capitalized and then amortized over the expected period of customer benefit.

Sales and marketing expenses are also impacted by the timing of significant marketing programs such as our annual client customer conference, which we typically hold during the second quarter. We plan to continue investing in sales and marketing by increasing our number of sales and marketing personnel and expanding our sales and marketing activities. As a result, we expect our sales and marketing expenses to increase in absolute dollars. We believe these investments will help us build brand awareness, add new customers, and expand sales to our existing customers as they continue to buy more solutions from us.

***Total Other (Income) Expense, Net***

Total other (income) expense, net consists primarily of interest expense net. Interest expense consists of interest attributable to our credit facilities and amortization of lender-related fees and other direct incremental costs of securing financing partially offset by interest income from our interest-bearing cash accounts.

***Provision for Income Taxes***

Our income tax expense includes the changes for the deferred tax asset valuation allowance, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best estimate of current and future taxes to be paid. We are subject to federal income taxes in the United States and numerous state jurisdictions. Significant judgments and estimates are required in the determination of the consolidated income tax expense.





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We recognize deferred tax assets to the extent that these assets are more likely than not to be realized. If they are not, deferred tax assets are reduced by a valuation allowance. We assess whether a valuation allowance should be recorded against our deferred tax assets based on the consideration of all available evidence, both positive and negative, using a "more likely than not" realization standard. In making such a determination, all available positive and negative evidence is are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it In making such judgements, significant weight is subsequently determined given to evidence that can be objectively verified. After analyzing all available evidence, including the past and current trend in volatility in our business operating environment which has impacted our current ability and expectation to generate sufficient future taxable income to fully realize our deferred tax assets, would be we have determined that it is more likely than that we would not realized in the future, in excess be able to utilize all of their net recorded amount, an adjustment would be made to the our deferred tax asset valuation allowance, which would reduce the provision for income taxes. After a review of the four sources of taxable income (as described above), assets, and after consideration of our continuing cumulative income position, inclusive of impact from permanent differences, as of December 31, 2022, therefore, we have not recorded established a partial valuation allowance on its our deferred tax assets as of December 31, 2023. Accordingly, we have recorded a partial valuation allowance of approximately $29.4 million at December 31, 2023, to reduce our deferred tax assets.

We have recorded an uncertain tax position with respect related to our R&D credits. We have recorded an immaterial amount of penalties certain research and interest as the development tax credits been fully utilized in certain tax jurisdictions, however almost all due to the partial utilization of these credits have no penalties or interest recorded as the credits have not yet been fully utilized, and therefore the uncertain in these tax jurisdictions. This tax position is has been recorded primarily as a reduction of to the related deferred tax asset related to assets associated with these credits. To date, penalties and interest associated with this position have been immaterial.



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**Results of Operations**

***Consolidated Statements of Operations***



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The following table sets forth our consolidated statements of operations data for each of the periods indicated: indicated (in thousands, except for share and per share amounts):

| (in thousands, except share and unit and per share and per unit amounts) | Year Ended December 31, 2022 | 2021 | 2020 |
|---|---|---|---|
| Year Ended December 31, Year Ended December 31, Year Ended December 31, | | | |
| 2023 | | | |
| Revenues, net | Revenues, net | $ 288,046 | $ 267,676 | $ 199,340 |
| Cost of revenues: | Cost of revenues: | | | |
| Subscription and services (1) | | | | |
| Subscription and services (1) | | | | |
| Subscription and services (1) | Subscription and services (1) | 90,778 | 77,103 | 49,480 |
| Amortization of developed technology | Amortization of developed technology | 15,553 | 12,519 | 8,874 |
| Total cost of revenues | Total cost of revenues | 106,331 | 89,622 | 58,354 |
| Gross profit | Gross profit | 181,715 | 178,054 | 140,986 |
| **Operating expenses:** | **Operating expenses:** | | | |
| General and administrative (1) | General and administrative (1) | 82,649 | 85,160 | 54,640 |
| General and administrative (1) | | | | |
| General and administrative (1) | | | | |
| Research and development (1) | Research and development (1) | 42,592 | 36,336 | 18,691 |
| Sales and marketing (1) | Sales and marketing (1) | 23,658 | 18,122 | 9,371 |
| Loss on termination of financing obligation due to related party | | — | — | 5,755 |
| Impairment of trademarks | | — | — | 5,362 |



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| | | | | |
|---|---|---|---|---|
| Restructuring related costs (1) | | | | |
| Acquisition related costs | Acquisition related costs | 4,228 | 781 | 1,579 |
| Total operating expenses | Total operating expenses | 153,127 | 140,399 | 95,398 |
| Operating income | Operating income | 28,588 | 37,655 | 45,588 |
| **Other (income) expense, net:** | **Other (income) expense, net:** | | | |
| Other income | | (1,063) | (49) | (41) |
| Interest expense, net | | 24,227 | 32,615 | 34,686 |
| Interest and other income | | | | |
| Interest and other income | | | | |
| Interest and other income | | | | |
| Interest expense | | | | |
| Loss on debt repayment and extinguishment | Loss on debt repayment and extinguishment | — | 9,944 | — |
| Total other expense, net | Total other expense, net | 23,164 | 42,510 | 34,645 |
| Income (loss) before provision for income taxes | | 5,424 | (4,855) | 10,943 |
| (Loss) income before income taxes | | | | |
| Provision for income taxes | Provision for income taxes | 4,130 | 5,141 | 1,792 |
| Net income (loss) | | 1,294 | (9,996) | $ 9,151 |
| Provision for income taxes | | | | |
| Provision for income taxes | | | | |
| Net (loss) income | | | | |
| Class A preferred return | Class A preferred return | — | (20,944) | (34,411) |
| Net income (loss) attributable to common stockholders | | $ 1,294 | $ (30,940) | $ (25,260) |



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| | | | | |
|---|---|---|---|---|
| Class A preferred return | | | | |
| Class A preferred return | | | | |
| Net (loss) income attributable to common stockholders | | | | |
| Net income (loss) per share: | | | | |
| Net (loss) income per share: | | | | |
| Net (loss) income per share: | | | | |
| Net (loss) income per share: | | | | |
| Basic | | | | |
| Basic | | | | |
| Basic | Basic | $ 0.02 | $ (0.48) | $ (0.49) |
| Diluted | Diluted | 0.02 | (0.48) | (0.49) |
| Weighted average common stock outstanding: | Weighted average common stock outstanding: | | | |
| Basic | Basic | 80,454,356 | 63,813,770 | 51,153,041 |
| Basic | | | | |
| Basic | | | | |
| Diluted | Diluted | 82,403,679 | 63,813,770 | 51,153,041 |
| _____ | _____ | | | |

(1) Upon completion of our IPO in July 2021, 500,000 options to purchase common shares, and 426,711 Carried Equity Units became fully vested, and we recognized accelerated share-based compensation expense in the amount of $21.4 million during the year ended December 31, 2021. Prior to the closing of our IPO, all of the outstanding Class B Units converted into shares of common stock on a one-for-one basis. Share-based compensation is as follows:

| | | Year Ended December 31, | | |
|---|---|---|---|---|
| | | 2022 | 2021 | 2020 |
| | | Year Ended December 31, | | |
| | | Year Ended December 31, | | |
| | | Year Ended December 31, | | |
| | 2023 | | | |
| | | 2023 | 2022 | 2021 |
| Cost of revenues | Cost of revenues | $ 4,630 | $ 6,478 | $ 180 |
| General and administrative | General and administrative | 9,499 | 14,558 | 1,952 |



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| | | | | |
|---|---|---|---|---|
| Research and development, net of amounts capitalized | Research and development, net of amounts capitalized | 6,472 | 7,453 | 339 |
| Sales and marketing | Sales and marketing | 2,160 | 2,247 | 370 |
| Forfeitures included in restructuring related costs | | | | |
| Total share-based compensation expense | Total share-based compensation expense | $22,761 | $30,736 | $2,841 |



**Comparison of the Fiscal Years Ended December 31, 2022 December 31, 2023 and 2021 2022**

***Revenues, net***

| | | Year Ended December 31, | | Change | |
|---|---|---|---|---|---|
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| (in thousands) | | | | | |
| (in thousands) | | | | | |
| (in thousands) | (in thousands) | 2022 | 2021 | $ | % |
| Revenues, net | Revenues, net | $ 288,046 | $ 267,676 | $ 20,370 | 8 % |
| Revenues, net | | | | | |
| Revenues, net | | | | | |

Revenues increased $20.4 million, or 8% for the year ended December 31, 2022 December 31, 2023, compared to the year ended December 31, 2021 December 31, 2022. For The increase was primarily due to the year ended December 31, 2022, net effect of increased revenue from our Lending Software Solutions, increased 12% compared to the year ended December 31, 2021, primarily which is driven by increases from new and ramping customers as well as increases in volume



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and revenue increases from existing customers. Lending Software Solutions growth was customers, partially offset by a decline in decreased revenue from our Data Verification Software Solutions revenue, Services, which is driven primarily by the decline in mortgage refinance application volumes. For both of our solutions, we receive incremental revenues if customers exceed their minimum commitments for monthly transactions, which typically is based off of number of applications or closed and funded loans for Lending Software Solutions and credit, tenant, or employment verification reports for our Data Verification Software Solutions.

***Cost of Revenues and Gross Profit***

*Subscription and services*

| | | Year Ended December 31, | | Change | |
|---|---|---|---|---|---|
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| (in thousands) | | | | | |
| (in thousands) | | | | | |
| (in thousands) | (in thousands) | 2022 | 2021 | $ | % |
| Subscription and services | Subscription and services | $ 90,778 | $ 77,103 | $ 13,675 | 18 % |
| Subscription and services | | | | | |
| Subscription and services | | | | | |

Subscription and services cost of revenues increased $13.7 million decreased $0.4 million, or 18% 0%, for the year ended December 31, 2022 December 31, 2023, compared to the year ended December 31, 2021 December 31, 2022. The increase decrease was partially primarily due to $6.0 million a $3.5 million decrease in additional cloud-based data storage third-party costs as well as higher compensation and benefits spend, largely from additional employee headcount. The increase driven by lower Data Verification Software Solutions application volumes, which, in turn, were driven by the decline in mortgage refinance application volumes. This decrease was partially offset by a decrease $2.0 million increase in cloud-based data storage costs incurred to support the growth of $1.9 million in share-based our platform and increased compensation expense compared costs of $1.2 million, which was largely due to the same period in 2021, primarily additional employee headcount, including headcount related to the vesting of options and equity grants upon the completion of our IPO. acquisitions.

*Amortization of Developed Technology*

| | | Year Ended December 31, | | Change | |
|---|---|---|---|---|---|
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| (in thousands) | | | | | |
| (in thousands) | | | | | |
| (in thousands) | (in thousands) | 2022 | 2021 | $ | % |



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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Amortization of Developed Technology | Amortization of Developed Technology | $ | 15,553 | $ | 12,519 | $ | 3,034 | 24 | % |
| Amortization of Developed Technology | | | | | | | | | |
| Amortization of Developed Technology | | | | | | | | | |

Amortization of developed technology increased $3.0 million $2.6 million, or 24% 17%, for the year ended December 31, 2022 December 31, 2023, compared to the year ended December 31, 2021 December 31, 2022. The increase was due to increased amortization for internally developed software and additional amortization on developed technology from the acquisitions of Saylent, StreetShares and OpenClose.

OpenClose, which occurred in the second quarter of 2022 and fourth quarter of 2022, respectively.

*Gross Profit*

| | | Year Ended December 31, | | Change | |
|---|---|---|---|---|---|
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| **(in thousands)** | **(in thousands)** | **2022** | **2021** | **$** | **%** |
| Gross Profit | | $ 181,715 | $ 178,054 | $ 3,661 | 2 % |
| **(in thousands)** | | | | | |
| **(in thousands)** | | | | | |
| Gross profit | | | | | |
| Gross profit | | | | | |
| Gross profit | | | | | |

Gross profit increased $3.7 million $13.4 million, or 2% 7%, for the year ended December 31, 2022 December 31, 2023, compared to the year ended December 31, 2021 December 31, 2022. The increase was primarily due to an the net increase of revenues in revenue resulting from increased Lending Software Solutions revenue and a decrease in third-party costs driven by lower share-based compensation, as described above, Data Verification Software Solutions application volumes, partially offset by an increase in increased cost of revenues due to an increase resulting from increases in cloud-based data storage costs and increased personnel-related expenses from increased employee headcount. expenses.





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***Operating Expenses***

*General and Administrative*

| | Year Ended December 31, | | Change | |
|---|---|---|---|---|
| | Year Ended December 31, | | | |
| | Year Ended December 31, | | | |
| | Year Ended December 31, | | | |
| (in thousands) (in thousands) | 2022 | 2021 | $ | % |
| General and Administrative | $ 82,649 | $ 85,160 | $ (2,511) | (3) % |
| (in thousands) | | | | |
| (in thousands) | | | | |
| General and administrative | | | | |
| General and administrative | | | | |
| General and administrative | | | | |

General and administrative expenses decreased $2.5 million increased $10.0 million, or 3% 12%, for the year ended December 31, 2022 December 31, 2023, compared to the year ended December 31, 2021 December 31, 2022. The decrease includes a $5.1 million decrease in increase was primarily related to the combined effect from increased share-based compensation expense expenses of $7.0 million related to increased amortization expenses from stock options and a $2.0 million decrease restricted stock units in advisory and legal services spend 2023 compared to the same period in 2021, as prior year costs were higher in connection with our IPO. The decreases were partially offset by a $2.3 million increase in insurance costs for director 2022; increased compensation expenses of $1.2 million, largely from additional employee headcount, including headcount related to acquisitions; and officer insurance, as well as increased personnel-related expenses amortization of intangible assets of $1.7 million, primarily related to additional amortization from increased employee headcount. the acquisitions of StreetShares and OpenClose.

*Research and Development*

| | Year Ended December 31, | | Change | |
|---|---|---|---|---|
| | Year Ended December 31, | | | |
| | Year Ended December 31, | | | |
| | Year Ended December 31, | | | |
| (in thousands) (in thousands) | 2022 | 2021 | $ | % |
| Research and Development | $ 42,592 | $ 36,336 | $ 6,256 | 17 % |
| (in thousands) | | | | |
| (in thousands) | | | | |
| Research and development | | | | |
| Research and development | | | | |
| Research and development | | | | |



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Research and development expenses increased $6.3 million $4.9 million, or 17% 12%, for the year ended December 31, 2022 December 31, 2023, compared to the year ended December 31, 2021 December 31, 2022. The increase was primarily due related to increased compensation expenses of $4.9 million, net of amounts capitalized, largely from additional personnel-related expenses employee headcount from increased employee and contractor headcount on our research and development teams. The increase was partially offset by a teams in 2023 compared to the same period in 2022, and $1.0 million from retention bonuses in 2023 related increase in salary to the acquisitions of StreetShares and contractor costs capitalized as part of our internal software development efforts. OpenClose.

*Sales and Marketing*

| | | Year Ended December 31, | | Change | |
|---|---|---|---|---|---|
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| (in thousands) | (in thousands) | 2022 | 2021 | $ | % |
| Sales and Marketing | | $ 23,658 | $ 18,122 | $ 5,536 | 31 % |
| (in thousands) | | | | | |
| (in thousands) | | | | | |
| Sales and marketing | | | | | |
| Sales and marketing | | | | | |
| Sales and marketing | | | | | |

Sales and marketing expenses increased $5.5 million $12.1 million, or 31% 51%, for the year ended December 31, 2022 December 31, 2023, compared to the year ended December 31, 2021, December 31, 2022. The increase was primarily due related to higher personnel-related increased personnel related expenses of $9.8 million from increased headcount on our sales and marketing teams. In addition, teams which included increased commissions expenses of $2.2 million, net of amounts capitalized; increased share-based compensation expenses of $1.7 million due to increased amortization of capitalized commissions increased $1.1 million in 2023 compared to the same period in 2021.2022, and $0.7 million primarily due to increased annual performance bonuses and retention bonuses in 2023 related to the acquisitions of StreetShares and OpenClose. Additionally, other marketing expenses increased by $0.8 million related to new and expanded marketing initiatives put in place during 2023.

*Acquisition Related Costs*

| | | Year Ended December 31, | | Change | |
|---|---|---|---|---|---|
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| (in thousands) | (in thousands) | 2022 | 2021 | $ | % |
| Acquisition Related Costs | | $ 4,228 | $ 781 | $ 3,447 | 441 % |
| (in thousands) | | | | | |
| (in thousands) | | | | | |



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Acquisition related costs

Acquisition related costs

Acquisition related costs

Acquisition related costs increased decreased $4.2 million, or 100%, for year ended December 31, 2022 compared to the year ended December 31, 2021 December 31, 2023, compared to theyear ended December 31, 2022. The increase decrease was primarily due to higher costs directly related to the acquisition acquisitions of StreetShares and OpenClose during 2022 compared to Saylent during 2021, the year ended December 31, 2022, as well as additional professional services costs incurred while pursuing other strategic opportunities. opportunities that were not repeated during the same period in 2023. There have been no acquisitions and no acquisition related costs for the year ended December 31, 2023.



*Restructuring Related Costs*

| | Year Ended December 31, | | Change | |
|---|---|---|---|---|
| **(in thousands)** | **2023** | **2022** | **$** | **%** |
| Restructuring related costs | $ 3,621 | $ — | $ 3,621 | 100 % |

Restructuring related costs are costs related to the 2023 Restructuring Plan that went into effect during the year ended December 31, 2023. Restructuring related costs incurred during the year ended December 31, 2023, were $3.6 million, primarily related to cash payments for severance, net of non-cash stock compensation forfeitures, and other termination-related costs. There were no restructuring related costs during the year ended December 31, 2022.

***Total Other Expense, net***

| | | Year Ended December 31, | | Change | |
|---|---|---|---|---|---|
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| | | Year Ended December 31, | | | |
| **(in thousands)** | **(in thousands)** | **2022** | **2021** | **$** | **%** |
| Total Other Expense, net | | $ 23,164 | $ 42,510 | $ (19,346) | (46) % |
| **(in thousands)** | | | | | |
| **(in thousands)** | | | | | |
| Total other expense, net | | | | | |



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Total other expense, net

Total other expense, net

Total other expense, net

In addition to our financial information presented in accordance with GAAP, we use certain “non-GAAP financial measures” to clarify and enhance our understanding of past performance and future prospects. Generally, a non-GAAP financial measure is a numerical measure of a company’s operating performance, financial position or cash flow that includes or excludes amounts that are included or excluded from the most directly comparable measure calculated and presented in accordance with GAAP. We monitor adjusted EBITDA, the non-GAAP financial measure described below, and we believe it is helpful to investors for the reasons listed below.

Our non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry because they may calculate non-GAAP financial results differently. In addition, there are limitations in using non-GAAP financial measures because they are not prepared in accordance with GAAP and exclude expenses that may have a material impact on our reported financial results. In particular, amortization and depreciation,



interest expense, and share-based compensation expense, which is excluded from adjusted EBITDA has been and will continue to be a significant recurring expense in our business for the foreseeable future. Income tax expense is also excluded from adjusted EBITDA and can be volatile due to temporary and permanent differences between GAAP and IRS statutory regulations, and changes resulting from recording valuation allowances due to identified impairments in our deferred tax assets. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. We urge you to review the reconciliations of our non-GAAP financial measures to the comparable GAAP financial measures included below, and not to rely on any single financial measure to evaluate our business.

**Adjusted EBITDA**

We define adjusted EBITDA as net income (loss) before interest expense, taxes, depreciation and amortization, share-based compensation expense, employer payroll taxes on employee stock transactions, expenses associated with our initial public offering, restructuring related costs, sponsor and third-party acquisition related costs, loss on debt repayment, lease termination charges and deferred revenue reductions from purchase accounting for acquisitions prior to the adoption of ASU 2021-08, “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers,” which we early adopted on January 1, 2022, on a prospective basis. Deferred revenue from acquisitions prior to the adoption of ASU 2021-08 was recognized on a straight-line basis through December 31, 2023. We have provided below a reconciliation of adjusted EBITDA to net loss, the most directly comparable GAAP financial measure.

We believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results for the following reasons:

- adjusted EBITDA is widely used by investors and securities analysts to measure a company’s operating performance without regard to items that can vary substantially from company to company depending upon their financing, capital structures, and the method by which assets were acquired;



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- our management uses adjusted EBITDA in conjunction with GAAP financial measures for planning purposes, in the preparation of our annual operating budget, as a measure of our operating performance, to assess the effectiveness of our business strategies, and to communicate with our board of directors concerning our financial performance;
- adjusted EBITDA provides more consistency and comparability with our past financial performance, facilitates period-to-period comparisons of our operations, and also facilitates comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results; and
- our investor and analyst presentations include adjusted EBITDA as a supplemental measure of our overall operating performance.

Adjusted EBITDA should not be considered as an alternative to net income (loss) or any other measure of financial performance calculated and presented in accordance with GAAP. The use of adjusted EBITDA as an analytical tool has limitations such as:

- depreciation and amortization are non-cash charges, and the assets being depreciated or amortized will often have to be replaced in the future and adjusted EBITDA does not reflect cash requirements for such replacements;
- adjusted EBITDA may not reflect changes in, or cash requirements for, our working capital needs or contractual commitments;
- excludes the impact of the write-down of deferred revenues due to purchase accounting in connection with our acquisitions, and therefore includes revenues that will never be recognized under GAAP;
- adjusted EBITDA does not reflect the potentially dilutive impact of share-based compensation;
- adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- adjusted EBITDA does not reflect tax payments that could reduce cash available for use; and
- other companies, including companies in our industry, might calculate adjusted EBITDA or similarly titled measures differently, which reduces their usefulness as comparative measures.



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The following table presents a reconciliation of net (loss) income to adjusted EBITDA for each of the periods presented (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |



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| | | | |
|---|---|---|---|
| Net (loss) income | $ (42,539) | $ 1,294 | $ (9,996) |
| Interest expense | 38,158 | 24,227 | 32,615 |
| Provision for income taxes | 23,943 | 4,130 | 5,141 |
| Depreciation and amortization | 57,829 | 53,982 | 50,453 |
| Share-based compensation expense | 31,213 | 22,761 | 30,736 |
| Employer payroll taxes on employee stock transactions | 687 | 350 | 95 |
| Expenses associated with IPO | — | — | 424 |
| Restructuring related costs | 3,621 | — | — |
| Sponsor and third-party acquisition related costs | — | 4,228 | 2,348 |
| Loss on debt repayment and extinguishment | — | — | 9,944 |
| Deferred revenue reduction from purchase accounting for acquisitions prior to 2022 | 78 | 227 | 733 |
| Lease termination charges | — | — | 879 |
| Adjusted EBITDA | $ 112,990 | $ 111,199 | $ 123,372 |

**Liquidity and Capital Resources**

***Sources of Liquidity***

We have financed our operations primarily through cash flows from operations, long-term debt, and concurrent with the completion of our IPO on July 30, 2021, through proceeds from the issuance of our common stock. In connection with our IPO, equity issuances. We have also filed a shelf registration statement on Form S-3, or Shelf Registration Statement, that became effective January 8, 2024, under which we sold 10.0 million shares of may offer or sell, in one or more offerings, our common stock, at preferred stock, warrants, debt securities, and/or units consisting of some or all of these securities in a price maximum aggregate amount of $26.00 per share, before underwriting discounts and commissions, which generated net proceeds up to us of approximately $242.1 million, after deducting $17.9 million in underwriting discounts and commissions and offering costs. $500.0 million.

As of December 31, 2022 December 31, 2023, our principal sources of liquidity were cash and cash equivalents of $55.8 million $80.4 million and unused capacity under our revolving line of credit of $50.0 million. Additionally, $30.0 million is held in an escrow deposit account for a contingent earnout related to our StreetShares acquisition, which we believe will be released in full at the end of the earnout period. The earnout period associated with the escrow amount ends on April 1, 2023. Based upon our current levels of operations, we believe that our cash flows from operations along with our other sources of liquidity are adequate to meet our cash requirements for at least the next twelve months.

Our primary uses of cash are funding operations, acquisitions, capital expenditures, debt principal and interest payments, and stock repurchases. Our use of cash is impacted by the timing and extent of the required payments for each of these activities.



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Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support research and development efforts, the continued expansion of sales and marketing activities, the introduction of new and enhanced solutions, the seasonality impacts on our business, the timing and extent of spending to support our growth strategy, the continued market acceptance of our solutions, the future acquisitions of solutions or businesses, and future stock repurchases. In the event that additional financing is required from outside sources, we may not be able to raise such financing on terms acceptable to us or at all. We continue to monitor our financing requirements and may pursue refinancing opportunities to potentially reduce interest rates and extend maturities. If we are unable to raise additional capital when desired, our business, operating results, and financial condition would be adversely affected.

***Operating Leases***

We lease office space and server equipment under various operating lease agreements that expire through December 2026. We recognize the related rent expense on a straight-line basis over the term of each lease. Free rent and rental increases are recognized on a straight-line basis over the term of each lease.



One lease, which was with a related party, expired in December 2022, so there were no monthly payments during December 2022. the year ended December 31, 2023. The monthly payments during each of the yearsyear ended December 31, 2022, and 2021 and 2020 were $0.1 million. $0.1 million.

***Long-Term Debt***

For a detailed description of our long-term debt, please see Note 7 6 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

***Cash Flows***

The following table summarizes our cash flows for the periods presented (in thousands):

| | Year Ended December 31, | Change |
|---|---|---|
| | Year Ended December 31, | |
| | Year Ended December 31, | |
| | Year Ended December 31, | |



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| (in thousands) | (in thousands) | 2022 | 2021 | $ | % |
|---|---|---|---|---|---|
| Net cash provided by (used in): | Net cash provided by (used in): | | | | |
| Operating activities | Operating activities | $ 74,587 | $ 89,835 | $ (15,248) | (17) % |
| Investing activities | Investing activities | (124,331) | (126,299) | 1,968 | (2) % |
| Financing activities | Financing activities | (8,121) | 110,228 | (118,349) | (107) % |
| Net (decrease) increase in cash, cash equivalents, and restricted cash | | $ (57,865) | $ 73,764 | $ (131,629) | 178 % |

*Cash Flows from Operating Activities*

Our largest source of operating cash is cash collection from sales of subscriptions subscription fees to our customers. Our primary uses of cash from operating activities are for personnel-related expenses, marketing expenses, and payments to third-party vendors. vendors, and interest expense.

Operating cash flow is derived by adjusting our net (loss) income (loss) for non-cash operating items, such as depreciation and amortization, amortization of debt issuance costs, share-based compensation expense, deferred income taxes, loss on disposal of fixed assets, property and equipment, and changes in operating assets and liabilities, which reflect timing differences between the receipt and payment of cash associated with transactions and when they are recognized in our results of operations.



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For the year ended December 31, 2022, The decrease in cash provided by operating activities was $74.6 million. Net primarily attributable to decreases in net income was $1.3 million, adjusted by of $11.7 million after adjusting for non-cash charges of $81.9 million operating items, and a decrease of $8.6 million $4.0 million related to operating assets and liabilities. The non-cash charges consist primarily timing of depreciation and amortization prepayments, partially offset by increases related to timing of $54.0 million, share-based compensation customer billings of $22.8 million, and deferred income taxes of $1.9 million. Net cash outflows from changes in operating assets and liabilities of $8.6 million primarily consisted of increased accounts receivable of $7.0 million due to increased revenue $6.6 million and timing of cash receipts, increased prepaid expenses and other assets disbursements for operations of $0.3 million, decreased accrued liabilities of $2.3 million, and decreased accounts payable of $1.6 million due to timing, partially offset by increased deferred revenue of $1.9 million $4.7 million.

For the year ended December 31, 2021, cash provided by operating activities was $89.8 million. Net loss was $10.0 million, adjusted by non-cash charges of $100.4 million and a decrease of $0.6 million related to operating assets and



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liabilities. The non-cash charges consist primarily of depreciation and amortization of $50.5 million, share-based compensation of $30.7 million, deferred income taxes of $4.9 million, and loss on debt repayment and extinguishment of $9.9 million. The change in operating assets and liabilities was primarily the result of an increase in deferred revenue of $3.8 million and accounts receivable of $1.6 million due to our increased customer growth and timing of new and existing customers implementations during the period. The change was offset by an increase in expenses and other assets of $5.7 million, due in part to the timing of payments and also increases in prepaid D&O public company insurance policies.

*Cash Flows from Investing Activities*

Net The increase in cash used in provided by investing activities of $124.3 million for the year ended December 31, 2022, consisted of $61.8 million of was primarily due to lower cash paid for the acquisition acquisitions of OpenClose, $23.1 million $85.0 million and $30.0 million cash receipt related to return of cash paid for the acquisition of StreetShares, $30.0 million cash paid for an escrow deposit for contingent consideration as a part of the StreetShares acquisition agreement, $8.2 million for capitalized software additions, that we funded in 2022, and $1.1 million for lower purchases of property and equipment.

Net cash used The decrease was partially offset by $1.0 million increase in investing activities of $126.3 million for the year ended December 31, 2021, included $84.6 million of cash paid for the acquisition TazWorks, $35.9 million of cash paid for the acquisition of Saylent, $4.9 million for capitalized software additions, and $0.8 million cash paid for purchases of property and equipment. additions.

*Cash Flows from Financing Activities*

Net The increase in cash used in financing activities was primarily due to higher stock repurchases of $8.1 million $57.8 million, higher taxes paid for the year ended December 31, 2022, consisted net share settlements of



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$3.3 restricted stock units of $1.5 million, payment and higher principal payments on debt of the $1.1 million. These increases are partially offset by higher proceeds from exercise of stock options of $2.2 million. Additionally, in 2022 we repaid $3.3 million Regulation A+ investor note that we assumed as part of the StreetShares acquisition, $3.3 million principal payments of long-term debt, $3.4 million cash paid related to repurchase our common stock, and $1.8 million proceeds from our employee stock purchase plan. Principal repayments on our term loan started in June 2022 and are payable quarterly.

Net cash provided by financing activities of $110.2 million for the year ended December 31, 2021, consisted primarily of $247.3 million in IPO proceeds, net of underwriters' discounts and commissions, and $535.0 million proceeds from issuance of long-term debt, offset by $631.3 million in principal payments of long-term debt, including $628.7 million for the full repayment of the First and Second Liens. The year ended December 31, 2021 also included a $25.7 million payment on the financing obligation due to related party, $4.8 million payments of deferred offering costs, $2.1 million payment to sellers of TCI $7.2 million payment of debt issuance costs, and $1.9 million of repurchases of Class A Units and Class B Units.

**Critical Accounting Policies and Significant Judgments and Estimates**

Our management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses incurred during the reporting periods. Certain one of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. On an ongoing basis, we evaluate our estimates including those related to revenue recognition, deferred revenue, assets recognized from costs to obtain a contract with a customer, accounts receivable, fair value of financial instruments, share-based compensation, business combinations, goodwill and intangible assets, impairment of long-lived assets, research and development and capitalized software, and income taxes. These judgments are based on our historical experience, terms of our existing contracts, our evaluation of trends in the industry, and information available from outside sources as appropriate. Our actual results may differ from those estimates. While our significant accounting policies are described in the notes to our consolidated financial statements, we believe these critical accounting policies are the most important to understanding when evaluating our reported financial results.

***Revenue Recognition***

Revenue-generating activities are directly related to the sale, implementation, and support of our solutions. We derive the majority of our revenues from subscription fees for the use of our solutions, which include annual fees, platform partner fees, and volume-based fees, as well as revenues for customer support and professional implementation services related to our solutions.

***Subscription Fee Revenues***





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Our software solutions are generally available for use as hosted application arrangements under subscription fee agreements. Our software solutions consist of an obligation for us to provide continuous access to a technology solution that we host and routine customer support, both of which we account for as a stand-ready performance obligation. Subscription fees from these applications are recognized over time on a ratable basis over the customer agreement term beginning on the date our solution is made available to the customer. Amounts that have been invoiced are recorded in accounts receivable and deferred revenues or revenues, depending on whether the revenue recognition criteria have been met. For the majority of our customers, additional fees for monthly usage above the levels included in the standard subscription fee are recognized as revenue in the month when the usage amounts are determined and reported.

We have a limited number of legacy customers that host and manage our solutions on premises under term license and maintenance agreements. This type of arrangement is no longer sold and represents an immaterial amount of our subscription fee revenues. However, there is no planned sunset or end of life for these on-premises solutions.

***Professional Services Revenues***

We offer implementation, configuration, consulting, and training services for our software solutions and SaaS offerings. Revenues from professional services are recognized as control is transferred to the customer.

***Other Revenues***

We enter into referral and marketing agreements with various third parties, in which our revenues are primarily generated from transactions initiated by the third parties' customers. We may introduce our customers to a referral partner or offer additional services available from the referral partner via an integration with our software solutions. Revenues are recognized in the period the services are performed, provided that collection of the related receivable is probable.

***Significant Judgments***

*Performance Obligations*

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting in the new revenue standard. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Judgments include whether the series guidance under Accounting Standards Codification, or ASC, 606 applicable to our subscription services and whether implementation and training services represent distinct performance obligations. We have contracts with customers that often include multiple performance obligations, usually including multiple subscription and implementation services. For these contracts, we account for individual performance obligations that are distinct separately by allocating the contract's total transaction price to each performance obligation in an amount based on the relative standalone selling price, or SSP, of each distinct good or service in the contract.

In determining whether SaaS services are distinct, we considered whether the series guidance applies to our subscription services. We considered various factors including that substantially all of our SaaS arrangements involve the transfer of a service to the customer, which represents a performance obligation that is satisfied over time because the customer simultaneously receives and consumes the benefits of the services provided. Customer support services, forms maintenance, and subscription services are considered a series of distinct services that are accounted for as a single performance obligation as the nature of the services are substantially the same and have the same pattern of transfer (i.e., distinct days of service). For these contracts, we allocate the ratable portion of the consideration to each period based on the services provided in such period.



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In determining whether implementation services are distinct from subscription services, we considered that there is not a significant level of integration between implementation and subscription services. Further, implementation services in our contracts provide benefit to the customer with other readily available resources and the implementation services generally are not interdependent with the SaaS subscription services. Therefore, implementation services are generally accounted for as a separate performance obligation, as they represent distinct services that provide benefit to the customer apart from SaaS services.

Consulting and training services are generally considered a separate performance obligation as they are considered distinct services that provide a benefit to the customer on their own.



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***Share-Based Compensation***

We account for share-based compensation by estimating the fair value of share-based payment awards at the grant date. We estimate the fair value of our share-based options using the Black-Scholes option-pricing model, and the portion that is ultimately expected to vest is recognized as compensation expense over the requisite service period.

Calculating share-based compensation expense requires the input of highly subjective assumptions, including the expected term of the share-based awards, fair value per share, share price volatility, risk free interest rates, and the expected dividend yield of our common stock. Prior to our IPO, we utilized an independent valuation specialist to assist with our determination of the fair value per share. The methods used to determine the fair value per share included discounted cash flow analysis, comparable public company analysis, and comparable acquisition analysis. Starting in the third quarter of 2020 and until our IPO, the probability-weighted expected return method was used and considered multiple exit scenarios, including a near term initial public offering. The assumptions used in calculating the fair value of share-based awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change and we use different assumptions, share-based compensation expense could be materially different in the future.

We account for forfeitures when they occur. We have elected to recognize share-based compensation expense for service-based awards on a straight-line basis over the service vesting period. We recognize compensation expense for awards subject to performance conditions using the graded attribution method.

***Business Combinations***

The purchase price allocation for business combinations requires extensive use of accounting estimates and judgments to allocate the purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on their respective fair values. We determine whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If this threshold is met, the single asset or group of



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assets, as applicable, is not a business. If it is not met, we determine whether the single asset or group of assets, as applicable, meets the definition of a business.

We account for business combinations in accordance with ASC, 805, Business Combinations. The results of businesses acquired in a business combination are included in our consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business generally being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill. Transaction costs associated with business combinations are expensed as incurred and are included in acquisition related costs in the consolidated statements of operations. We perform valuations of assets acquired and liabilities assumed and allocate the purchase price to the respective assets and liabilities. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenues, costs and cash flows, discount rates, and selection of comparable companies. We engage the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination. During the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date, changes in the estimated fair values of the net assets recorded may change the amount of the purchase price allocated to goodwill. During the measurement period, which expires one year from the acquisition date, changes to any purchase price allocations that are material to our consolidated financial results will be adjusted prospectively.

***Goodwill and Intangible Assets***

In connection with our acquisitions and asset purchase discussed within our financial statements also included in this registration statement, we record certain intangible assets. Identifiable intangible assets with finite lives are amortized over their estimated useful lives on either a straight-line or accelerated basis, depending on the nature of the intangible asset. Developed technology, customer relationships, trademarks, and non-competition agreements with finite useful lives are amortized on a straight-line basis. We periodically review the estimated useful lives and fair values of our identifiable intangible assets, taking into consideration any events or circumstances which might result in a diminished fair value or revised useful life.

The excess purchase price over the fair value of assets acquired is recorded as goodwill. We evaluate and test the recoverability of goodwill for impairment at least annually, on October 1, or more frequently if circumstances indicate that



goodwill may not be recoverable. We perform the impairment testing by first assessing qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of its reporting unit is less than its carrying amount. We have one reporting unit. If, after assessing the totality of events or circumstances, we determine it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we perform the first step of a two-step analysis by comparing the book value of net assets to the fair value of the reporting unit. To calculate any potential impairment, we compare the fair value of a reporting unit with it carrying amount, including



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goodwill. Any excess of the carrying amount of the reporting unit's goodwill over its fair value is recognized as an impairment loss, and the carrying value of goodwill is written down.

Determining the fair value of goodwill is subjective in nature and often involves the use of estimates and assumptions including, without limitation, use of estimates of future prices and volumes for our solutions, capital needs, economic trends, and other factors which are inherently difficult to forecast. If actual results, or the plans and estimates used in future impairment analyses are lower than the original estimates used to assess the recoverability of these assets, we could incur impairment charges in a future period. In assessing the qualitative factors, we consider the impact of certain key factors including macroeconomic conditions, industry and market considerations, management turnover, changes in regulation, litigation matters, changes in enterprise value, and overall financial performance. No impairment of goodwill was identified during the years ended December 31, 2022, 2021, or 2020.

***Impairment of Long-Lived Assets***

We evaluate the carrying value of long-lived assets, including intangible assets with finite lives and property and equipment, whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset, including disposition, are less than the carrying value of the asset. The impairment to be recognized is measured as the amount by which the carrying amount exceeds the fair value of the assets. In the fourth quarter of 2020, we performed an impairment test of definite-lived trademarks which was triggered by our decision to rebrand certain products. Specifically, management made a decision to rebrand the LendingQB and LoansPQ products which are being replaced by the new "MeridianLink" branded product line. As a result of the rebranding decision in December 2020, which was determined to be a triggering event, we recorded an impairment equal to substantially all of the total LendingQB and LoansPQ trademarks carrying values of $5.4 million. Other than the trademark impairment mentioned above, there have been no other impairments of long-lived assets during the years ended December 31, 2022, 2021, or 2020.

***Income Taxes***

We account for income taxes using the assets and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in our tax returns. Deferred taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities, as well as from net operating loss and tax credit carryforwards. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will actually be paid, or refunds received, as provided for under currently enacted tax law. Changes in deferred tax assets and liabilities are recorded in the benefit from income taxes.

We recognize deferred tax assets to the extent that these assets are more likely than not to be realized. If they are not, deferred tax assets are reduced by a valuation allowance. In making such a determination, all available positive and negative evidence are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is subsequently determined that deferred tax assets would be more likely than not realized in the future, in excess of their net recorded amount, an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

We account for uncertainty in income taxes recognized in our consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized which includes (a) the tax position must be evaluated to determine the likelihood that it is more likely than not of being sustained based solely on the technical merits of the position, and if so, (b) the tax position is then assessed to determine the amount of benefit to recognize in the consolidated financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood



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of being realized upon ultimate settlement. The benefit from income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related net interest and penalties.



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We report tax related interest and penalties, if any, as income tax expense. There were no material interest or penalties recorded for the years ended December 31, 2022, 2021, or 2020. previous acquisitions.

**Recent Accounting Pronouncements**

See Note 2, “Significant Accounting Policies” to our consolidated financial statements included in Part II, Item 8 included in this Annual Report on Form 10-K for a description of recent accounting pronouncements, including the expected dates of adoption and estimated effects on our results of operations, financial condition, and cash flows.



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***Emerging Growth Company Status***

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial results may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. We expect to use the extended transition period for any other new or revised accounting standards during the period in which we remain an emerging growth company.

**Critical Accounting Estimates**

Our management’s discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and



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expenses incurred during the reporting periods. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of our existing contracts, our evaluation of trends in the industry, and information available from outside sources as appropriate. Our actual results may differ from those estimates.

The fair value and useful lives of acquired intangible assets, capitalization of software development costs, and income taxes, including the valuation allowance for deferred tax assets, are our critical accounting estimates.

***Fair Value and Useful Lives of Acquired Intangible Assets***

In connection with our acquisitions discussed within our consolidated financial statements, we record certain intangible assets. Identifiable intangible assets with finite lives are amortized over their estimated useful lives on either a straight-line or accelerated basis, depending on the nature of the intangible asset. Developed technology, customer relationships, trademarks, and non-competition agreements with finite useful lives are amortized on a straight-line basis. We periodically review the estimated useful lives and fair values of our identifiable intangible assets, taking into consideration any events or circumstances which might result in a diminished fair value or revised useful life. We believe it is unlikely that any significant changes to the useful lives of our intangible assets will occur in the near term, but rapid changes in technology or changes in market conditions could result in revisions to such estimates that could materially affect the carrying value of these assets and our future consolidated operating results.

***Capitalization of Software Development Costs***

For development costs related to internal use software, such as our subscription offerings, and implementation costs incurred in cloud computing arrangements that are service contracts, we capitalize costs incurred for computer software developed or obtained for internal use that are incurred during the application development stage. Once the application development stage is reached, internal and external costs are capitalized until the software is substantially complete and ready for its intended use. These capitalized costs are amortized on a straight-line basis over the expected useful life of the software. Costs related to preliminary project activities and post-implementation activities are expensed as incurred.

Significant estimates and assumptions include determining the appropriate amortization period based on the estimated useful life and assessing the unamortized cost balances for impairment. Amortization begins on the date the software is placed in service and the amortization period is based on estimated useful life. A significant change in an estimate related to one or more software products could result in a material change to our results of operations.



***Income Taxes***

We account for income taxes using the assets and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial



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statements or in our tax returns. Deferred taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities, as well as from net operating loss and tax credit carryforwards. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will actually be paid, or refunds received, as provided for under currently enacted tax law. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes.

We recognize deferred tax assets to the extent that these assets are more likely than not to be realized. If they are not more likely than not to be recognized, deferred tax assets are reduced by a valuation allowance. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. Following this analysis, if we determine that deferred tax assets are more likely than not to be realized in the future, in excess of their net recorded amount, we will make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. After analyzing all available evidence, including the past and current trend in volatility in our business operating environment which has impacted our current ability and expectation to generate sufficient future taxable income to fully realize our deferred tax assets, we have determined that it is more likely that we would not be able to utilize all of our deferred tax assets, and therefore, we have established a partial valuation allowance on our deferred tax assets as of December 31, 2023. Accordingly, we have recorded a partial valuation allowance of approximately $29.4 million as of December 31, 2023, to reduce our deferred tax assets.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to market risk in the ordinary course of our business. Market risk is the risk of loss that may impact our financial position, future earnings, or future cash flows that may result from changes in financial market prices and rates. Our market risk is primarily a result of fluctuations in interest rates. We do not use derivative financial instruments for speculative, hedging, or trading purposes, although in the future we might enter into exchange rate hedging arrangements to manage the risks described below.

***Interest Rate Risk***

We had cash and cash equivalents of $55.8 million $80.4 million and $113.6 million $55.8 million as of December 31, 2022 2023, and 2021, 2022, respectively, consisting of bank deposits and money market funds. We did not hold any cash or cash equivalents as of December 31, 2022 2023, or 2021 2022 that held a significant degree of interest rate risk.

As of December 31, 2022, 2023, we had an outstanding principal amount of $431.7 million $427.4 million under the 2021 Term Loan Agreement. The interest rates on our 2021 Term Loan Agreement are floating, therefore changes in interest rates could adversely affect our future earnings and cash flows. Our term loan bears interest based on the adjusted benchmark rate, as defined in the agreement, plus an applicable margin, equivalent to 3.00% at December 31, 2022 December 31, 2023.

Based on the amount of variable rate debt outstanding at December 31, 2022 December 31, 2023, and holding the principal amount outstanding at December 31, 2022 December 31, 2023 constant, each 100 basis-point increase in interest rates would increase the interest we incur incur by approximately $4.3 million per year.

Additionally, the Financial Conduct Authority in the United Kingdom has initiated the process to phase out LIBOR. We have negotiated terms in consideration of this discontinuation and do not expect that the discontinuation of the LIBOR rate,



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including any legal or regulatory changes made in response to its future phase out, will have a material impact on our liquidity or results of operations.



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**Item 8. Financial Statements and Supplementary Data**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Stockholders and Board of Directors



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MeridianLink, Inc.
Costa Mesa, California

**Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of MeridianLink, Inc. (the "Company") as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of operations, preferred units and stockholders' equity/members' deficit, and cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, 2023, in conformity with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As discussed in Notes 2 and 6 to the consolidated financial statements, the The Company has changed its method of accounting for leases during the year ended December 31, 2022 due to the adoption of the Accounting Standards Codification 842, *Leases.*

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, LLP P.C.

We have served as the Company's auditor since 2020.

Costa Mesa, California
March 9, 2023 12, 2024



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**MERIDIANLINK, INC.**
**CONSOLIDATED BALANCE SHEETS**
**(in thousands, except share and per share data)**

| | As of | |
|---|---|---|
| | December 31, 2022 | December 31, 2021 |
| Current assets: | | |
| Cash and cash equivalents | $ 55,780 | $ 113,645 |
| Accounts receivable, net of allowance for doubtful accounts | 32,905 | 24,913 |

| | As of | |
|---|---|---|
| | December 31, 2023 | December 31, 2022 |
| Assets | | |
| Assets | | |
| Assets | | |
| Current assets: | | |
| Current assets: | | |
| Current assets: | | |
| Cash and cash equivalents | | |
| Cash and cash equivalents | $ 80,441 | $ 55,780 |
| Accounts receivable, net | | |
| Accounts receivable, net | | |
| Accounts receivable, net | 32,412 | 32,905 |



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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Prepaid expenses and other current assets | Prepaid expenses and other current assets | 9,447 | 9,398 | Prepaid expenses and other current assets | 11,574 | | 9,447 |
| Escrow deposit | Escrow deposit | 30,000 | — | Escrow deposit | — | | 30,000 |
| Total current assets | Total current assets | 128,132 | 147,956 | Total current assets | 124,427 | | 128,132 |
| Property and equipment, net | Property and equipment, net | 4,245 | 5,989 | Property and equipment, net | 3,337 | | 4,245 |
| Right of use assets | | 2,185 | — | | | | |
| Right of use assets, net | | | | Right of use assets, net | 1,140 | | 2,185 |
| Intangible assets, net | Intangible assets, net | 297,475 | 298,597 | Intangible assets, net | 251,060 | | 297,475 |
| Deferred tax assets, net | Deferred tax assets, net | 13,939 | 4,286 | Deferred tax assets, net | — | | 13,939 |
| Goodwill | Goodwill | 608,657 | 564,799 | Goodwill | 610,063 | | 608,657 |
| Other assets | Other assets | 4,524 | 4,266 | Other assets | 6,224 | | 4,524 |
| **Total assets** | **Total assets** | **$1,059,157** | **$1,025,893** | **Total assets** | **$ 996,251** | **$** | **$ 1,059,157** |
| **Liabilities and Stockholders' Equity** | **Liabilities and Stockholders' Equity** | | | | | | |
| **Liabilities and Stockholders' Equity** | | | | | | | |
| **Liabilities and Stockholders' Equity** | | | | | | | |
| Current liabilities: | Current liabilities: | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | | | | | | | |
| Accounts payable | | | | | | | |
| Accounts payable | Accounts payable | $ 1,249 | $ 2,335 | $ | 4,405 | $ | 1,249 |



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| | | | | | | |
|---|---|---|---|---|---|---|
| Accrued liabilities | Accrued liabilities | 32,500 | 24,667 | Accrued liabilities | 30,673 | 32,500 |
| Deferred revenue | Deferred revenue | 16,945 | 14,707 | Deferred revenue | 17,224 | 16,945 |
| Current portion of long-term debt, net of debt issuance costs | | 3,505 | 2,139 | | | |
| | | | | Current portion of debt, net of debt issuance costs | 3,542 | 3,505 |
| Total current liabilities | Total current liabilities | 54,199 | 43,848 | Total current liabilities | 55,844 | 54,199 |
| Long-term debt, net of debt issuance costs | | 423,404 | 425,371 | | | |
| | | | | Debt, net of debt issuance costs | 420,004 | 423,404 |
| | | | | Deferred tax liabilities, net | 10,823 | — |
| Long-term deferred revenue | Long-term deferred revenue | 1,141 | — | Long-term deferred revenue | 792 | 1,141 |
| Deferred rent | | — | 396 | | | |
| Other long-term liabilities | Other long-term liabilities | 1,322 | — | Other long-term liabilities | 541 | 1,322 |
| Total liabilities | Total liabilities | 480,066 | 469,615 | Total liabilities | 488,004 | 480,066 |
| Commitments and contingencies (Note 5) | Commitments and contingencies (Note 5) | | | Commitments and contingencies (Note 5) | | |
| **Stockholders' Equity** | **Stockholders' Equity** | | | | | |
| Preferred stock, $0.001 par value; 50,000,000 shares authorized; zero shares issued and outstanding at December 31, 2022 and 2021 | | — | — | | | |



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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Common stock, $0.001 par value; 600,000,000 shares authorized, 80,644,452 and 79,734,984 shares issued and outstanding at December 31, 2022 and 2021, respectively | | 128 | 88 | | | | |
| Preferred stock, $0.001 par value; 50,000,000 shares authorized; zero shares issued and outstanding at December 31, 2023 and 2022 | | | | | | | |
| Preferred stock, $0.001 par value; 50,000,000 shares authorized; zero shares issued and outstanding at December 31, 2023 and 2022 | | | | | — | | — |
| Common stock, $0.001 par value; 600,000,000 shares authorized, 78,447,701 and 80,644,452 shares issued and outstanding at December 31, 2023 and 2022, respectively | | | | Common stock, $0.001 par value; 600,000,000 shares authorized, 78,447,701 and 80,644,452 shares issued and outstanding at December 31, 2023 and 2022, respectively | 129 | | 128 |
| Additional paid-in capital | Additional paid-in capital | 621,396 | 596,542 | Additional paid-in capital | 654,634 | | 621,396 |
| Accumulated deficit | Accumulated deficit | (42,433) | (40,352) | Accumulated deficit | (146,516) | | (42,433) |
| Total stockholders' equity | Total stockholders' equity | 579,091 | 556,278 | Total stockholders' equity | 508,247 | | 579,091 |



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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Total liabilities and stockholders' equity** | **Total liabilities and stockholders' equity** | **$1,059,157** | **$1,025,893** | **Total liabilities and stockholders' equity** | **$** | **996,251** | **$** | **1,059,157** |

*The accompanying notes are an integral part of the consolidated financial statements.*



---

**MERIDIANLINK, INC.**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(in thousands, except share/unit share and per share/unit share data)**

| | | Year Ended December 31, | | |
|---|---|---|---|---|
| | | **2022** | **2021** | **2020** |
| | | Year Ended December 31, | | |
| | | Year Ended December 31, | | |
| | | Year Ended December 31, | | |
| **2023** | | | | |
| | | **2023** | **2022** | **2021** |
| Revenues, net | Revenues, net | $ 288,046 | $ 267,676 | $ 199,340 |
| Cost of revenues: | Cost of revenues: | | | |
| Subscription and services | Subscription and services | | | |
| Subscription and services | Subscription and services | 90,778 | 77,103 | 49,480 |
| Amortization of developed technology | Amortization of developed technology | 15,553 | 12,519 | 8,874 |
| Total cost of revenues | Total cost of revenues | 106,331 | 89,622 | 58,354 |
| Gross profit | Gross profit | 181,715 | 178,054 | 140,986 |
| **Operating expenses:** | **Operating expenses:** | | | |
| General and administrative | General and administrative | 82,649 | 85,160 | 54,640 |



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| | | | | |
|---|---|---|---|---|
| General and administrative | | | | |
| General and administrative | | | | |
| Research and development | Research and development | 42,592 | 36,336 | 18,691 |
| Sales and marketing | Sales and marketing | 23,658 | 18,122 | 9,371 |
| Loss on termination of financing obligation due to related party | | — | — | 5,755 |
| Impairment of trademarks | | — | — | 5,362 |
| Restructuring related costs | | | | |
| Acquisition related costs | Acquisition related costs | 4,228 | 781 | 1,579 |
| Total operating expenses | Total operating expenses | 153,127 | 140,399 | 95,398 |
| Operating income | Operating income | 28,588 | 37,655 | 45,588 |
| **Other (income) expense, net:** | **Other (income) expense, net:** | | | |
| Other income | | (1,063) | (49) | (41) |
| Interest expense, net | | 24,227 | 32,615 | 34,686 |
| Interest and other income | | | | |
| Interest and other income | | | | |
| Interest and other income | | | | |
| Interest expense | | | | |
| Loss on debt repayment and extinguishment | Loss on debt repayment and extinguishment | — | 9,944 | — |
| Total other expense, net | Total other expense, net | 23,164 | 42,510 | 34,645 |
| Income (loss) before provision for income taxes | | 5,424 | (4,855) | 10,943 |
| (Loss) income before income taxes | | | | |
| Provision for income taxes | Provision for income taxes | 4,130 | 5,141 | 1,792 |



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| | | | | |
|---|---|---|---|---|
| Net income (loss) | | 1,294 | (9,996) | 9,151 |
| Provision for income taxes | | | | |
| Provision for income taxes | | | | |
| **Net (loss) income** | | | | |
| Class A preferred return | Class A preferred return | — | (20,944) | (34,411) |
| Net income (loss) attributable to common stockholders | | $ 1,294 | $ (30,940) | $ (25,260) |
| Class A preferred return | | | | |
| Class A preferred return | | | | |
| **Net (loss) income attributable to common stockholders** | | | | |
| Net income (loss) per share: | | | | |
| Net (loss) income per share: | | | | |
| Net (loss) income per share: | | | | |
| Net (loss) income per share: | | | | |
| Basic | | | | |
| Basic | | | | |
| Basic | Basic | $ 0.02 | $ (0.48) | (0.49) |
| Diluted | Diluted | 0.02 | (0.48) | (0.49) |
| Weighted average common stock outstanding: | Weighted average common stock outstanding: | | | |
| Basic | Basic | 80,454,356 | 63,813,770 | 51,153,041 |
| Basic | | | | |
| Basic | | | | |
| Diluted | Diluted | 82,403,679 | 63,813,770 | 51,153,041 |

*The accompanying notes are an integral part of the consolidated financial statements.*





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**MERIDIANLINK, INC.**
**CONSOLIDATED STATEMENTS OF PREFERRED UNITS AND STOCKHOLDERS' EQUITY / MEMBERS' DEFICIT**
**(in thousands, except share/unit amounts)**

| | Class A Preferred Units | | Class B Common Units | | Common Stock | | | | Stockholders' Equity / Members' Deficit |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Additional paid-in capital | Accumulated deficit | |
| Balance at January 1, 2020 | 320,820 | $320,820 | 50,732,795 | $1,371 | — | $ — | $ 1,791 | $ (39,353) | $ (36,191) |
| Payment of Class A units cumulative preferred return | — | — | — | — | — | — | — | (136) | (136) |
| Vesting of Class B carried equity units | — | — | 1,112,839 | 73 | — | — | — | — | 73 |
| Repurchase of vested units | (907) | (907) | (352,829) | (1,444) | — | — | (723) | — | (2,167) |
| Share-based compensation expense | — | — | — | — | — | — | 2,841 | — | 2,841 |
| Net income | — | — | — | — | — | — | — | 9,151 | 9,151 |
| Balance at December 31, 2020 | 319,913 | 319,913 | 51,492,805 | — | — | — | 3,909 | (30,338) | (26,429) |
| Payment of Class A units cumulative preferred return | — | — | — | — | — | — | — | (12) | (12) |
| Repurchase of vested units | (54) | (54) | (103,421) | (38) | — | — | (1,849) | — | (1,887) |



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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Issuance of common stock in connection with initial public offering, net of underwriters' discounts and commissions and issuance costs | — | — | — | — | 10,000,000 | 10 | 242,084 | — | 242,094 |
| Effect of Corporate Conversion (Note 1) | (319,859) | (319,859) | (52,112,904) | (9) | 68,720,140 | 69 | 319,799 | (6) | 319,853 |
| Issuance of common stock due to exercise of stock options | — | — | — | — | 278,887 | — | 1,714 | — | 1,714 |
| Vesting of restricted stock awards (formerly known as Class B carried equity units) | — | — | 723,520 | 47 | 710,986 | 9 | 38 | — | 94 |
| Vesting of restricted stock units | — | — | — | — | 24,971 | — | — | — | — |
| Share-based compensation expense | — | — | — | — | — | — | 30,847 | — | 30,847 |
| Net loss | — | — | — | — | — | — | — | (9,996) | (9,996) |
| Balance at December 31, 2021 | — | — | — | — | 79,734,984 | 88 | 596,542 | (40,352) | 556,278 |



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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Vesting of restricted stock awards | — | — | — | — | 599,599 | 39 | — | — | 39 |
| Vesting of restricted stock units | — | — | — | — | 398,407 | 1 | — | — | 1 |
| Issuance of common stock due to exercise of stock options | — | — | — | — | 33,359 | — | 211 | — | 211 |
| Issuance of common stock through employee stock purchase plan | — | — | — | — | 127,700 | — | 1,777 | — | 1,777 |
| Shares withheld related to net share settlement of restricted stock units | — | — | — | — | (11,956) | — | (206) | — | (206) |
| Repurchases of common stock | — | — | — | — | (237,641) | — | — | (3,375) | (3,375) |
| Share-based compensation expense | — | — | — | — | — | — | 23,072 | — | 23,072 |
| Net income | — | — | — | — | — | — | — | 1,294 | 1,294 |
| Balance at December 31, 2022 | — | $ — | — | $ — | 80,644,452 | $ 128 | $ 621,396 | $ (42,433) | $ 579,091 |

*The accompanying notes are an integral part of the consolidated financial statements.*





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**MERIDIANLINK, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(in thousands)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2022** | **2021** | **2020** |
| **Cash flows from operating activities:** | | | |
| Net income (loss) | $ 1,294 | $ (9,996) | $ 9,151 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | |
| Depreciation and amortization | 53,982 | 50,453 | 40,199 |
| Amortization of debt issuance costs | 2,760 | 3,413 | 1,758 |
| Share-based compensation expense | 22,761 | 30,736 | 2,841 |
| Loss on disposal of fixed assets | 678 | 524 | 5,823 |
| Impairment of trademarks | — | — | 5,362 |
| Loss on sublease liability | — | 405 | — |
| Loss on debt repayment and extinguishment | — | 9,944 | — |
| Gain on change in fair value of earnout | (162) | — | — |
| Other adjustments | — | (18) | — |
| Deferred income taxes | 1,905 | 4,926 | 1,555 |
| Changes in operating assets and liabilities, net of acquisitions: | | | |
| Accounts receivable | (7,005) | 1,619 | (3,184) |
| Prepaid expenses and other assets | 297 | (5,726) | (2,058) |
| Accounts payable | (1,564) | 117 | 1,536 |
| Accrued liabilities | (2,281) | (302) | 2,650 |
| Deferred revenue | 1,922 | 3,834 | 1,923 |
| Deferred rent | — | (94) | (77) |
| Net cash provided by operating activities | 74,587 | 89,835 | 67,479 |
| **Cash flows from investing activities:** | | | |
| Acquisition, net of cash acquired – Beanstalk Networks L.L.C. | (61,830) | — | — |
| Acquisition, net of cash and restricted cash acquired – StreetShares, Inc. | (23,137) | — | — |
| Acquisition, net of cash and restricted cash acquired – Saylent Technologies, Inc. | — | (35,945) | — |
| Acquisition, net of cash acquired – TazWorks, LLC | — | (84,605) | (5,000) |
| Acquisition, net of cash acquired – Teledata Communications, Inc. | — | — | (103,055) |
| Escrow deposit | (30,000) | — | — |



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| | | | |
|---|---|---|---|
| Capitalized software additions | (8,228) | (4,906) | (3,196) |
| Purchases of property and equipment | (1,136) | (843) | (4,141) |
| Net cash used in investing activities | (124,331) | (126,299) | (115,392) |
| **Cash flows from financing activities:** | | | |
| Repurchases of common stock | (3,375) | — | — |
| Repurchases of Class A Units | — | (54) | (907) |
| Repurchases of Class B Units | — | (1,887) | (2,167) |
| Proceeds from initial public offering, net of underwriters' discounts and commissions | — | 247,307 | — |
| Proceeds from exercise of stock options | 211 | 1,714 | — |
| Payment due to effect of corporate conversion | — | (6) | — |
| Proceeds from employee stock purchase plan | 1,777 | — | — |
| Taxes paid related to net share settlement of RSUs | (206) | — | — |
| Proceeds from long-term debt | — | 535,000 | — |
| Principal payments of long-term debt | (3,263) | (631,255) | (4,156) |
| Payment of Regulation A+ investor note | (3,265) | — | — |
| Payments of debt issuance costs | — | (7,207) | — |
| Payments of financing obligation due to related party | — | — | (2,187) |
| Payments of Class A cumulative preferred return | — | (12) | (136) |
| Payments of deferred offering costs | — | (4,790) | (423) |
| Payment to sellers of Saylent Technologies, Inc. | — | (775) | — |
| Payment to sellers of Teledata Communications, Inc | — | (2,142) | — |
| Holdback payment to sellers of MeridianLink | — | (25,665) | — |
| Net cash (used in) provided by financing activities | (8,121) | 110,228 | (9,976) |
| Net (decrease) increase in cash, cash equivalents and restricted cash | (57,865) | 73,764 | (57,889) |
| Cash, cash equivalents and restricted cash, beginning of period | 113,645 | 39,881 | 97,770 |
| Cash, cash equivalents and restricted cash, end of period | $ 55,780 | $ 113,645 | $ 39,881 |
| Reconciliation of cash, cash equivalents, and restricted cash | | | |
| Cash and cash equivalents | $ 55,780 | $ 113,645 | $ 37,739 |
| Restricted cash | — | — | 2,142 |
| Cash, cash equivalents, and restricted cash | $ 55,780 | $ 113,645 | $ 39,881 |





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**MERIDIANLINK, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(in thousands)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| **Supplemental disclosures of cash flow information:** | | | |
| Cash paid for interest | $ 21,348 | $ 29,242 | $ 33,179 |
| Cash paid for income taxes | 1,343 | 306 | 137 |
| **Non-cash investing and financing activities:** | | | |
| Regulation A+ investor note assumed in business combination | $ 3,265 | $ — | $ — |
| Initial recognition of operating lease liability | 3,791 | — | — |
| Initial recognition of operating lease right-of-use asset | 3,047 | — | — |
| Share-based compensation expense capitalized to software additions | 311 | 111 | — |
| Shares withheld with respect to net settlement of RSUs | 206 | — | — |
| Effect of corporate conversion (Note 1) | — | 319,868 | — |
| Related party receivable net against holdback payment to prior shareholders | — | 4,335 | — |
| Deferred offering costs in prepaid expenses and other current assets as of December 31, 2020 offsetting payments of deferred offering costs | — | 423 | — |
| Vesting of RSAs and RSUs | 40 | 94 | — |
| Debt issuance costs included in accrued expenses | — | 90 | — |
| Purchases of property and equipment included in accounts payable and accrued expenses | 72 | 81 | 98 |
| Payable to seller in connection with acquisition of TazWorks | — | — | 85,646 |
| Deferred offering costs included in accounts payable and accrued expenses | — | — | 572 |
| Vesting of Class B Units | — | — | 74 |

| | Class A Preferred Units | | Class B Common Units | | Common Stock | | | | Stockholders' Equity / Members' Deficit |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Additional paid-in capital | Accumulated deficit | |
| Balance at January 1, 2021 | 319,913 | $ 319,913 | 51,492,805 | $ — | — | $ — | $ 3,909 | $ (30,338) | $ (26,429) |



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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Payment of Class A units cumulative preferred return | — | — | — | — | — | — | — | (12) | (12) |
| Repurchase of vested units | (54) | (54) | (103,421) | (38) | — | — | (1,849) | — | (1,887) |
| Issuance of common stock in connection with initial public offering, net of underwriters' discounts and commissions and issuance costs | — | — | — | — | 10,000,000 | 10 | 242,084 | — | 242,094 |
| Effect of Corporate Conversion (Note 1) | (319,859) | (319,859) | (52,112,904) | (9) | 68,720,140 | 69 | 319,799 | (6) | 319,853 |
| Issuance of common stock due to exercise of stock options | — | — | — | — | 278,887 | — | 1,714 | — | 1,714 |
| Vesting of restricted stock awards (formerly known as Class B carried equity units) | — | — | 723,520 | 47 | 710,986 | 9 | 38 | — | 94 |



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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Vesting of restricted stock units (RSUs) | — | — | — | — | 24,971 | — | — | — | — |
| Share-based compensation expense | — | — | — | — | — | — | 30,847 | — | 30,847 |
| Net loss | — | — | — | — | — | — | — | (9,996) | (9,996) |
| Balance at December 31, 2021 | — | $ — | — | $ — | 79,734,984 | $ 88 | $ 596,542 | $ (40,352) | $ 556,278 |
| Vesting of restricted stock awards | — | — | — | — | 599,599 | 39 | — | — | 39 |
| Vesting of RSUs | — | — | — | — | 398,407 | 1 | — | — | 1 |
| Issuance of common stock due to exercise of stock options | — | — | — | — | 33,359 | — | 211 | — | 211 |
| Issuance of common stock through employee stock purchase plan | — | — | — | — | 127,700 | — | 1,777 | — | 1,777 |
| Shares withheld related to net share settlement of RSUs | — | — | — | — | (11,956) | — | (206) | — | (206) |
| Repurchases of common stock | — | — | — | — | (237,641) | — | — | (3,375) | (3,375) |
| Share-based compensation expense | — | — | — | — | — | — | 23,072 | — | 23,072 |



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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Net income | — | — | — | — | — | — | — | 1,294 | 1,294 |
| Balance at December 31, 2022 | — | $ — | — | $ — | 80,644,452 | $ 128 | $ 621,396 | $ (42,433) | $ 579,091 |
| Vesting of restricted stock awards | — | — | — | — | 63,055 | 4 | — | — | 4 |
| Vesting of RSUs | — | — | — | — | 1,055,665 | 1 | — | — | 1 |
| Issuance of common stock due to exercise of stock options | — | — | — | — | 304,332 | — | 2,373 | — | 2,373 |
| Issuance of common stock through employee stock purchase plan | — | — | — | — | 131,424 | — | 1,679 | — | 1,679 |
| Shares withheld related to net share settlement of RSUs | — | — | — | — | (87,495) | — | (1,667) | — | (1,667) |
| Repurchases of common stock | — | — | — | — | (3,663,732) | (4) | — | (61,544) | (61,548) |
| Share-based compensation expense | — | — | — | — | — | — | 30,853 | — | 30,853 |
| Net loss | — | — | — | — | — | — | — | (42,539) | (42,539) |
| Balance at December 31, 2023 | — | $ — | — | $ — | 78,447,701 | $ 129 | $ 654,634 | $ (146,516) | $ 508,247 |

*The accompanying notes are an integral part of the consolidated financial statements.*



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**MERIDIANLINK, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(in thousands)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2023** | **2022** | **2021** |
| **Cash flows from operating activities:** | | | |
| Net (loss) income | $ (42,539) | $ 1,294 | $ (9,996) |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 57,829 | 53,982 | 50,453 |
| Provision for expected credit losses | 930 | — | — |
| Amortization of debt issuance costs | 1,085 | 2,760 | 3,413 |
| Share-based compensation expense | 30,550 | 22,761 | 30,736 |
| Deferred income taxes | 23,630 | 1,905 | 4,926 |
| Loss on disposal of property and equipment | — | 678 | 524 |
| Loss on sublease liability | — | — | 405 |
| Loss on debt repayment and extinguishment | — | — | 9,944 |
| Gain on change in fair value of earnout | — | (162) | — |
| Other adjustments | — | — | (18) |
| Changes in operating assets and liabilities, net of acquisitions: | | | |
| Accounts receivable | (443) | (7,005) | 1,619 |
| Prepaid expenses and other assets | (3,665) | 297 | (5,726) |
| Accounts payable | 3,170 | (1,564) | 117 |
| Accrued liabilities | (2,514) | (2,281) | (302) |
| Deferred revenue | (69) | 1,922 | 3,834 |
| Deferred rent | — | — | (94) |
| Net cash provided by operating activities | 67,964 | 74,587 | 89,835 |
| **Cash flows from investing activities:** | | | |
| Capitalized software additions | (9,250) | (8,228) | (4,906) |
| Purchases of property and equipment | (943) | (1,136) | (843) |
| Return (payment) of escrow deposit | 30,000 | (30,000) | — |



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| | | | |
|---|---|---|---|
| Funds received in connection with former business combination | 1,219 | — | — |
| Funds paid in connection with former business combination | (1,219) | — | — |
| Acquisition, net of cash acquired – Beanstalk Networks LLC | 326 | (61,830) | — |
| Acquisition, net of cash and restricted cash acquired – StreetShares, Inc. | — | (23,137) | — |
| Acquisition, net of cash and restricted cash acquired – Saylent Technologies, Inc. | — | — | (35,945) |
| Acquisition, net of cash acquired – TazWorks, LLC | — | — | (84,605) |
| Net cash provided by (used in) investing activities | 20,133 | (124,331) | (126,299) |
| **Cash flows from financing activities:** | | | |
| Repurchases of common stock | (61,171) | (3,375) | — |
| Proceeds from exercise of stock options | 2,373 | 211 | 1,714 |
| Proceeds from employee stock purchase plan | 1,679 | 1,777 | — |
| Taxes paid related to net share settlement of restricted stock units | (1,667) | (206) | — |
| Principal payments of debt | (4,350) | (3,263) | (631,255) |
| Payments of deferred offering costs | (300) | — | (4,790) |
| Payment of Regulation A+ investor note | — | (3,265) | — |
| Repurchases of Class A Units | — | — | (54) |
| Repurchases of Class B Units | — | — | (1,887) |
| Proceeds from initial public offering, net of underwriters' discounts and commissions | — | — | 247,307 |
| Payment due to effect of corporate conversion | — | — | (6) |
| Proceeds from long-term debt | — | — | 535,000 |
| Payments of debt issuance costs | — | — | (7,207) |
| Payments of Class A cumulative preferred return | — | — | (12) |
| Payment to sellers of Saylent Technologies, Inc. | — | — | (775) |
| Payment to sellers of Teledata Communications, Inc | — | — | (2,142) |
| Holdback payment to sellers of MeridianLink | — | — | (25,665) |
| Net cash (used in) provided by financing activities | (63,436) | (8,121) | 110,228 |
| Net increase (decrease) in cash and cash equivalents | 24,661 | (57,865) | 73,764 |
| Cash and cash equivalents, beginning of period | 55,780 | 113,645 | 39,881 |
| Cash and cash equivalents, end of period | $ 80,441 | $ 55,780 | $ 113,645 |





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**MERIDIANLINK, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(in thousands)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2023** | **2022** | **2021** |
| **Supplemental disclosures of cash flow information:** | | | |
| Cash paid for interest | $ 37,018 | $ 21,348 | $ 29,242 |
| Cash paid for income taxes | 2,522 | 1,343 | 306 |
| **Non-cash investing and financing activities:** | | | |
| Shares withheld with respect to net settlement of restricted stock units | 1,667 | 206 | $ — |
| Purchase price allocation adjustment for Beanstalk Networks LLC acquisition | 274 | — | — |
| Excise taxes payable included in repurchases of common stock | 377 | — | — |
| Share-based compensation expense capitalized to software additions | 303 | 311 | 111 |
| Purchase price allocation adjustment related to income tax effects for StreetShares acquisition | 1,132 | — | — |
| Purchases of property and equipment included in accounts payable and accrued liabilities | 80 | 72 | 81 |
| Costs related to shelf registration on Form S-3 included in accrued liabilities | 75 | — | — |
| Vesting of restricted stock awards and restricted stock units | 5 | 40 | 94 |
| Regulation A+ investor note assumed in business combination | — | 3,265 | — |
| Initial recognition of operating lease liabilities | — | 3,791 | — |
| Initial recognition of operating lease right-of-use assets | — | 3,047 | — |
| Debt issuance costs included in accrued liabilities | — | — | 90 |
| Effect of corporate conversion (Note 1) | — | — | 319,868 |
| Related party receivable net against holdback payment to prior shareholders | — | — | 4,335 |
| Deferred offering costs in prepaid expenses and other current assets as of December 31, 2020 offsetting payments of deferred offering costs | — | — | 423 |

*The accompanying notes are an integral part of the consolidated financial statements.*



**MERIDIANLINK, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**



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**Note 1 – Organization and Description of Business**

MeridianLink, Inc., and its wholly-owned subsidiaries, (collectively the "Company"), provides secure, cloud-based digital solutions that transform the ways in which traditional and emerging financial services providers engage with account holders and end users. The Company sells its solutions to financial institutions, including banks, credit unions, mortgage lenders, specialty lending providers, and consumer reporting agencies. The Company delivers its solutions to the substantial majority of its customers using a software-as-a-service ("SaaS") model under which its customers pay subscription fees for the use of the Company's solutions. The Company is controlled by its majority stockholder, which is represented by various investment funds of Thoma Bravo UGP, LLC and its affiliates ("Thoma Bravo"). The Company is headquartered in Costa Mesa, California.

**Corporate Conversion**

Prior to July 27, 2021, the Company operated as a Delaware limited liability company under the name Project Angel Parent, LLC ("Parent"), which directly and indirectly held all the equity interests in its operating subsidiaries. On May 31, 2018, a subsidiary of Parent acquired all the outstanding common stock of MeridianLink, Inc. ("MeridianLink"). Under the terms of the Amended and Restated Limited Liability Company Operating Agreement ("Agreement"), dated as of May 31, 2018, of Parent, the members were not obligated for debt, liabilities, contracts or other obligations of Parent. Profits and losses were allocated to members as defined in the Agreement.

On July 27, 2021, prior to the effectiveness of the registration statement for the Company's initial public offering, MeridianLink, the then operating company and the indirect wholly owned subsidiary of Project Angel Parent, LLC, changed its name to ML California Sub, Inc, Inc., and Project Angel Parent, LLC converted into a Delaware corporation pursuant to a statutory conversion and changed its name to MeridianLink, Inc. As a result of the corporate conversion, MeridianLink, Inc. succeeded to all property and assets and debts and obligations of Project Angel Parent, LLC. Effective July 27, 2021, MeridianLink, Inc. is governed by its certificate of incorporation filed with the Delaware Secretary of State and its bylaws.

Upon its conversion into a corporation, the Company converted each of its outstanding Class A preferred units ("Class A Units") into a number of shares of common stock equal to the result of the accrued preferred return price per Class A Unit divided by the per share of common stock conversion price determined by the board of directors to be $25.50. The preferred return price for each Class A Unit was equal to the future value of $1,000 at a 9% interest rate compounded quarterly over the time passed since the issuance of such unit. Upon the Company's conversion into a corporation, the outstanding Class A Units converted into an aggregate of 16,607,235 shares of common stock and were reclassified into permanent equity. Additionally, all the outstanding Class B common units ("Class B Units") converted into an aggregate of 53,646,668 shares of common stock on a one-for-one basis. At the time of the corporate conversion there were 1,533,763 of such shares that remained subject to future vesting and were not included in the outstanding shares. Following the Corporate Conversion, there were no units of Class A Units outstanding.

The effects of the events described in the preceding two paragraphs are collectively referred to as the "Corporate Conversion."

**Initial Public Offering and Reverse Stock Split**

On July 30, 2021, the Company completed its initial public offering ("IPO") through an underwritten sale of 13.2 million shares of its common stock, of which 10.0 million newly issued shares were sold by the Company at a price to the public of



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$26.00 per share. The Company received net proceeds of approximately $242.1 million after deducting approximately $17.9 million in underwriting discounts, commissions, and offering-related expenses.

The IPO also included the sale of 3.2 million shares of our common stock by the selling stockholders. The Company did not receive any proceeds from the sale of common stock by the selling stockholders. Additionally, the selling stockholders granted the underwriters an option, exercisable for 30 days after the effective date of the Prospectus, to purchase up to 2.0 million additional shares of common stock. The option was exercised for 1.2 million additional shares on August 26, 2021.





In connection with the listing of the Company's common stock on the New York Stock Exchange (the "NYSE"), the Company entered into indemnification agreements with its directors and certain officers and employees that require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or services as directors, officers, or employees.

In advance of the IPO, on July 16, 2021, the Company effected a 1-for-2 reverse unit split of the Company's Class B Units, whereby every two Class B Units converted into one Class B Unit. All Class B Unit and per unit information included in the accompanying consolidated financial statements have been adjusted to reflect this reverse unit split for all periods presented. Following the Corporate Conversion, there were no units of Class B Units outstanding.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The consolidated financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All intercompany balances and transactions have been eliminated in consolidation. Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

**Operating and Reportable Segment**

The Company operates and manages its business and financial information on a consolidated basis for the purposes of evaluating financial performance and the allocation of resources. The Company's management determined that it operates in one operating and reportable segment that is focused exclusively on providing cloud-based digital solutions in the United States. In reaching this conclusion, management considers the definition of the chief operating decision maker ("CODM"), how the business is defined by the CODM, the nature of the information provided to the CODM and how that information is used to make operating decisions, allocate resources, and assess performance. The Company's CODM is the chief executive officer. The results of operations provided to and analyzed by the CODM are at the consolidated level, and



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accordingly, key resource decisions and assessment of performance are performed at the consolidated level. The Company assesses its determination of operating segments at least annually.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents and accounts receivable. Cash and cash equivalents are invested in short-term and highly liquid investment-grade obligations, which are held in safekeeping by large and creditworthy financial institutions. Deposits in these financial institutions may exceed federally insured limits.

As of and for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, the Company did not have any customers that accounted for greater than 10% of accounts receivable or 10% of net revenues. For the year ended December 31, 2020, there was one customer, Credit Plus, Inc., that accounted for 10% of net revenues.

**Use of Estimates**

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses. Significant Certain items subject to such estimates include revenue recognition including determining the nature and timing of satisfaction of performance obligations and variable consideration; share-based compensation; the fair value of acquired intangibles; intangible assets; the capitalization of software development costs; the useful lives of long-lived intangible assets; impairment of goodwill and long-lived assets; and income taxes, including the valuation allowance for deferred income taxes. In accordance with GAAP, management bases its estimates on historical experience and on various other assumptions that management believes are reasonable under the circumstances. Management regularly evaluates its estimates and assumptions using historical experience and other factors; however, actual results could differ significantly from those estimates.

Accounting policies and estimates that most significantly impact the presented amounts within these consolidated financial statements are further described below:





***Cash and Cash Equivalents***

The Company considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. As of December 31, 2022 December 31, 2023, and 2021, 2022, cash consisted of checking deposit accounts



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and demand deposit accounts. As of December 31, 2022 December 31, 2023, and 2021, 2022, cash equivalents included $40.5 million $66.8 million and $60.0 million $40.5 million, respectively, held in a money market fund.

***Accounts Receivable and Allowance for Doubtful Accounts Credit Losses***

AccountsEffective January 1, 2023, the Company adopted the requirements of *Accounting Standard Update ("ASU") 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments."*The Company's accounts receivable includes billed and unbilled receivables, net of an allowance for doubtful accounts. credit losses. Trade accounts receivable are recorded at invoiced amounts and do not bear interest. The expectation Company recognizes an allowance for credit losses on accounts receivable in an amount equal to the current expected credit losses. The estimation of collectability the allowance is based on the credit profiles an analysis of customers, contractual terms historical loss experience, current receivables aging, and management's assessment of current conditions current economic trends, and historical payment experience. estimated future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

The Company regularly reviews the adequacy of assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for doubtful accounts by considering the age of each outstanding invoice and the collection history of each customer to determine the appropriate amount of allowance for doubtful accounts. Any increases or decreases to this allowance are charged or credited, respectively, as a bad debt expense to expected credit losses is recognized in general and administrative expenses. Accounts receivable deemed uncollectible are charged against expenses on the allowance for doubtful accounts when identified. Allowance for doubtful accounts as accompanying consolidated statements of both December 31, 2022 and 2021 was $0.2 million.

The following table presents changes in the Company's allowance for doubtful accounts:

| | As of December 31, 2022 | As of December 31, 2021 |
|---|---|---|
| Beginning balance | $ (215) | $ (641) |
| Provision for doubtful accounts | — | — |
| Write offs, net | 50 | 426 |
| Ending balance | $ (165) | $ (215) |

operations.

***Property and Equipment***

The Company records property and equipment at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:



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| Asset Category | Life (years) |
|---|---|
| Computer equipment and software | 3 – 5 years |
| Office equipment and furniture | 3 – 7 years |
| Leasehold improvements | Shorter of the lease term and or the estimated useful lives of the assets |

Expenditures for maintenance and repairs are charged to expense as incurred, and major renewals and improvements are capitalized. Gains or losses on disposal of property and equipment are recognized in the period when the assets are sold or disposed of and the related cost and accumulated depreciation is removed from the accounts.

***Leases***

Leases arise from contractual obligations that convey the right to control the use of identified property plant, or equipment for a period of time in exchange for consideration. At the inception of the contract, the Company determines if an arrangement contains a lease based on whether there is an identified asset and whether the Company controls the use of the identified asset. The Company also determines the classification of that lease, between financing and operating, at the lease commencement date. The Company accounts for and allocates consideration to the lease and non-lease components as a single lease component.

A right-of-use (“ROU”) asset represents the Company’s right to use an underlying asset, and a lease liability represents the Company’s obligation to make payments during the lease term. ROU assets are recorded and recognized at commencement for the lease liability amount, adjusted for initial direct costs incurred and lease incentives received, and adjusted for





prepaid or accrued lease payments. Lease liabilities are recorded at the present value of the future lease payments over the lease term at commencement. The discount rate used to determine the present value is the incremental borrowing rate, unless the interest rate implicit in the lease is readily determinable. As the implicit rate for the operating leases is generally not determinable, the Company uses an incremental borrowing rate as the discount rate at the lease commencement date to determine the present value of lease payments. The Company determines the discount rate of the leases by considering





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various factors, such as the credit rating, interest rates of similar debt instruments of entities with comparable credit ratings, jurisdictions, and the lease term.

The Company's operating leases typically include non-lease components such as common-area maintenance costs, utilities, and other maintenance costs. For real estate leases, the Company has elected to include non-lease components with lease payments for the purpose of calculating lease right-of-use assets and liabilities to the extent that they are fixed. Non-lease components that are not fixed are expensed as incurred as variable lease payments.

The Company's lease terms may include options to extend or terminate the lease. The Company generally uses the base, non-cancelable, lease term when recognizing the lease assets and liabilities, unless it is reasonably certain that the Company will exercise those options. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company's ROU assets are included in right of use assets and the current and non-current portions of the lease liabilities are included in accrued liabilities and other long-term liabilities, respectively, on the consolidated balance sheets. The Company does not record leases with terms of 12 months or less on the consolidated balance sheets. Lease expense is recognized on a straight-line basis over the expected lease term.

The Company has entered into subleases, or has made decisions and taken actions to exit and sublease certain unoccupied leased office space. Sublease income is recorded as a reduction of rent expense straight-line over the term of the sublease. The Company tests ROU assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. For leased assets, such circumstances would include the decision to leave a leased facility prior to the end of the minimum lease term or subleases for which estimated cash flows do not fully cover the costs of the associated lease. No impairment of ROU assets was recorded during the year ended December 31, 2022.

***Intangible Assets***

Intangible assets primarily consist of developed technology, customer relationships, trademarks, and non-competition agreements, which were acquired through acquisitions. The Company determines the appropriate useful life of its intangible assets by performing an analysis of expected cash flows of the acquired assets. Intangible assets are amortized on either a straight-line or accelerated basis over their estimated useful lives, depending on the nature of the intangible asset. lives.

***Capitalized Internal-Use Software Costs***

For development costs related to internal use software, such as the Company's subscription offerings, and implementation costs incurred in cloud computing arrangements that are service contracts, the Company follows the guidance of ASC Accounting Standards Codification ("ASC") 350-40, "Internal*"Internal Use Software."* ASC 350-40 sets forth the guidance for costs incurred for computer software developed or obtained for internal use and requires companies to capitalize qualifying computer software development costs, which are incurred during the application development stage. Once the application development stage is reached, internal and external costs are capitalized until the software is substantially complete and ready for its intended use. These capitalized costs are to be amortized on a straight-line basis



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over the expected useful life of the software of 3 years. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. For the years ended December 31, 2022, 2021, and 2020, the Company capitalized $8.5 million, $5.0 million, and $3.2 million respectively, related to internally developed software costs. Such capitalized costs related to developed technology are included within the intangible assets balance in on the consolidated balance sheets.

***Cloud Computing Arrangements***

The Company capitalizes certain costs associated with cloud computing arrangements that are service contracts, including third party software development costs that are part of the application development stage. Capitalized deferred implementation costs for cloud computing arrangements are included in prepaid expenses and other current assets, and other assets on the Company's consolidated balance sheets, and were $0.2 million and $0.3 million as of December 31, 2022 and 2021, respectively. sheets. Amounts capitalized are amortized as general and administrative expenses and cost of sales revenues on the consolidated statements of operations over 3 years. 2 to 5 years beginning on the date the associated hosting arrangement is ready for its intended use. Costs related to preliminary project activities and post-implementation activities are expensed as incurred.





***Impairment of Long-Lived Assets***

The Company evaluates the carrying value of long-lived assets, including intangible assets with finite lives, right of use assets, contract cost assets, and property and equipment, whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. The impairment to be recognized is measured as the amount by which the carrying amount exceeds the fair value of the assets. No impairment of long-lived assets was recorded during the years ended December 31, 2022, 2021, and 2020.

***Business Combinations***

The Company accounts for business combinations in accordance with Accounting Standards Codification ("ASC") 805, "Business Combinations." The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business generally being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill. Transaction costs associated with business combinations are expensed as incurred and are included in acquisition related costs on the consolidated statements of operations. The Company performs valuations of assets acquired and liabilities assumed and allocates the



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purchase price to its respective assets and liabilities. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue, costs and cash flows, discount rates, and selection of comparable companies. The Company engages the assistance of valuation specialists in concluding on fair value measurements in connection with management's determination of the fair values of assets acquired and liabilities assumed in a business combination. During the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date, changes in the estimated fair values of the net assets recorded may change the amount of the purchase price allocated to goodwill. During the measurement period, which expires one year from the acquisition date, changes to any purchase price allocations that are material to the Company's consolidated financial results will be adjusted prospectively.

***Goodwill***

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. The Company tests goodwill for impairment in accordance ASC 350, *"Intangibles—Goodwill and Other."* Goodwill is tested for impairment at least annually at the reporting unit level or more frequently if events or changes in circumstances indicate that goodwill might be impaired. Events or changes in circumstances which could trigger an impairment review include consideration of certain key factors including macroeconomic conditions, industry and market conditions, management turnover, changes in regulation, litigation matters, changes in enterprise value, and overall financial performance.

ASC 350 provides that an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is more likely than not the fair value of a reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if an entity concludes otherwise, then it is required to perform a quantitative impairment test.

The quantitative impairment test involves comparing the estimated fair value of a reporting unit with its book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. If however, the fair value of the reporting unit is less than book value, then an impairment charge is recorded for the difference between the reporting unit's fair value and carrying amount, not to exceed the carrying amount of the goodwill.

The Company has one reporting unit and tests its goodwill for impairment annually, during the fourth quarter as of the fiscal year. During the year ended December 31, 2022, the Company used the quantitative approach to perform its annual October 1, or more frequently if circumstances indicate that goodwill impairment test. The fair value of the Company's reporting unit significantly exceeded the carrying value of its net assets. No goodwill impairment was recorded during the years ended December 31, 2022, 2021, and 2020. may not be recoverable.







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***Fair Value of Financial Instruments***

The Company accounts for certain of its financial assets at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

- Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The carrying amounts of most of the Company's financial instruments, including cash and cash equivalents approximate fair value due to their high liquidity in actively quoted trading markets and their short maturities. The carrying amounts of the Company's accounts receivable, escrow deposit, accounts payable, accrued liabilities, and short-term deferred revenue approximate fair value due to their short maturities. The carrying value of the Company's long-term debt is considered to approximate the fair value of such debt as of December 31, 2022 December 31, 2023, and 2021 2022 based upon the interest rates that the Company believes it can currently obtain for similar debt, which is considered a level 2 input to determine fair value.



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***Cumulative Preferred Return***

Prior to the Corporate Conversion, Class A preferred unitholders were entitled to a cumulative preferred return, as disclosed further in Note 8. 7. At each reporting period-end, the Company evaluated whether the Class A Units were considered currently redeemable or probable of becoming redeemable in accordance with ASC 480-10, "Distinguishing*"Distinguishing Liabilities from Equity,"* based on the facts and circumstances of the deemed liquidation events that would give rise to the redemption of the units. In accordance with the prescribed accounting literature, the Company would not record the cumulative preferred return in the consolidated financial statements until the Company determined that such units were probable of becoming redeemable.



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Upon the Corporate Conversion, the Company converted each of its outstanding Class A Units into a number of shares of common stock equal to the result of the accrued preferred return price per Class A Unit divided by the conversion price per share of common stock, as determined by the board of directors. Following the Corporate Conversion, there were no units of Class A Units outstanding. See Note 1 for further information on the Corporate Conversion.

***Revenue Recognition***

Revenue-generating activities are directly related to the sale, implementation, and support of the Company's solutions. The Company derives the majority of its revenues from subscription fees for the use of its solutions hosted in either the Company's data centers or cloud-based hosting services, volume-based fees, as well as revenues for customer support and professional implementation services related to the Company's solutions.

Under ASC 606, "Revenue*"Revenue from Contracts with Customers,"* revenue is recognized upon the transfer of control of a promised service to a customer in an amount that reflects the consideration the Company expects to receive in exchange for those services, net of sales taxes. The Company applies the following five-step revenue recognition model in accounting for its revenue arrangements:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies the performance obligations.

The Company delivers its solutions using a software-as-a service, ("SaaS") model under which its customers pay subscription fees for the use of the Company's solutions as well asfees for transactions processed. The Company's subscription fees consist of revenues from software solutions that are governed by pricing and terms contained in contracts between the Company and its customers. The initial term of contracts with customers is typically three years, but may range from one to seven years. Customer contracts are typically not cancellable without penalty, and almost always contain an evergreen auto-renewal termthat is often for a one-year extension after the initial term, but can extend the auto-renewal of the contract up to the length of the original term. The Company's subscription fee revenues include annual base fees, platform partner fees, and, depending on the product, fees per search or per loan application or per closed loan (with contractual minimums based on volume) that are charged on a monthly basis, which is referred to as volume-based fees. The Company earns additional revenues based on the volume of applications or closed loans processed above its customers' contractual minimums.

Revenue-generating activities are directly related to the sale, implementation, and support of the Company's solutions. The Company derives the majority of its revenues from subscription fees for the use of its solutions hosted using cloud-based hosting services, volume-based fees, as well as revenues for customer support and professional implementation services related to the Company's solutions.





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Variable consideration exists when the amount that the Company expects to receive in a contract is based on the occurrence or non-occurrence of future events, such as processing services performed under usage-based pricing arrangements or professional services billed on a time-and-materials basis. Variable consideration included in the transaction price of a contract is constrained such that a significant revenue reversal is not probable. Under the standard terms and conditions of the Company's contracts with its customers or partners, contractual transaction price is generally not adjusted due to measurement adjustments associated with estimated variable consideration.

*Subscription Fee Revenues*

The Company's software solutions are generally available for use as hosted application arrangements under subscription fee agreements. The Company's software solutions consist of an obligation for the Company to provide continuous access to a technology solution that it hosts and routine customer support, both of which the Company accounts for as a stand-ready performance obligation. Subscription fees from these applications are recognized over time on a ratable basis over the customer agreement term beginning on the date the Company's solution is made available to the customer. Amounts that have been invoiced are recorded in accounts receivable and deferred revenues revenue or revenues, depending on whether the revenue recognition criteria have been met. For the majority of our customers, additional fees for monthly usage above the levels included in the standard subscription fee are recognized as revenue in the month when the usage amounts are determined and reported.

The Company has a limited number of legacy customers that host and manage its solutions on-premises under term license and maintenance agreements. This type of arrangement is no longer sold and represents an immaterial amount Certain of the Company's subscription fee revenues. However, there is no planned sunset or end of life for these on-premises solutions.

*Professional Services Revenues*

The Company offers implementation, configuration, consulting, and training services for our software solutions and SaaS offerings. Revenues from professional services contracts are recognized as control is transferred invoiced to the customer.

*Other Revenues*

The Company enters into referral and marketing agreements with various third parties, in which revenues for the Company are primarily generated from transactions initiated by the third parties' customers. The Company may introduce its customers to a referral partner or offer additional services available from annually, and revenue is recognized ratably over the referral partner via an integration with the Company's software solutions. Revenues are recognized in the period the services are performed, provided that collection of the related receivable is probable.

*Significant Judgments*

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting in the new revenue standard. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Judgments include



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whether the series guidance under ASC 606 is applicable to the Company's subscription services and whether implementation and training services represent distinct performance obligations. The Company has contracts with customers that often include multiple performance obligations, usually including multiple subscription and implementation services. For these contracts, the Company accounts for distinct individual performance obligations separately by allocating the contract's total transaction price to each performance obligation in an amount based on the relative standalone selling price ("SSP") of each distinct good or service in the contract. term.

In determining whether SaaS services are distinct, we considered whether the series guidance applies to the Company's subscription services. The Company considered various factors including that substantially all the Company's SaaS arrangements involve the transfer of a service to the customer, which represents a performance obligation that is satisfied over time because the customer simultaneously receives and consumes the benefits of the services provided. Customer support services, forms maintenance, and subscription services are considered a series of distinct services that are accounted for as a single performance obligation, as the nature of the services are substantially the same and have the same pattern of transfer (i.e., distinct days of service). For these contracts, the Company allocates the ratable portion of the consideration to each period based on the services provided in such period.

The Company has concluded that its subscription fees related to monthly usage above the levels included in the standard subscription fee relates specifically to the transfer of the service to the customer in that month and is consistent with the allocation objective of ASC 606 when considering all the performance obligations and payment terms in the contract. Therefore, the Company generally recognizes additional usage revenues in the month when the usage amounts are determined and reported. This allocation reflects the amount the Company expects to receive for the services for the given period.

The Company has a limited number of legacy customers that host and manage its solutions on-premises under term license and maintenance agreements. This type of arrangement is no longer sold and represents an immaterial amount of the Company's subscription fee revenues. However, there is no planned sunset or end of life for these on-premises solutions.

*Professional Services Revenues*

The Company offers implementation, configuration, consulting, and training services for its software solutions and SaaS offerings. Revenues from the Company's professional services are recognized as control is transferred to the customer, which can be either at a point in time or over time, depending on the nature of the contractual performance obligations.

In determining whether implementation services are distinct from subscription services, we considered that there is not a significant level of integration between implementation and subscription services. Further, implementation services in our contracts provide benefit to the customer with other readily available resources and the implementation services generally are not interdependent with the SaaS subscription services. Therefore, implementation services are generally accounted for as a separate performance obligation, as they represent distinct services that provide benefit to the customer apart from SaaS services.



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Consulting and training services are generally considered a separate performance obligation as they are considered distinct services that provide a benefit to the customer on their own.





*Other Revenues*

The Company enters into referral and marketing agreements with various third parties, in which revenues for the Company are primarily generated from transactions initiated by the third parties' customers. The Company may introduce its customers to a referral partner or offer additional services available from the referral partner via an integration with the Company's software solutions. Other revenues are recognized in the period the services are performed, which can be either at a point in time or over time, depending on the nature of the contractual performance obligations.

*Identification of Performance Obligations and Determination of Transaction Price*

The Company enters into contracts with customers that often include multiple performance obligations, usually including multiple subscription and implementation services. For these contracts, the Company accounts for distinct individual performance obligations separately by allocating the contract's total transaction price to each performance obligation in an amount based on the relative standalone selling price ("SSP") of each distinct good or service in the contract.

The Company's determination of SSP for each distinct performance obligation in its contracts with its customers requires minimal judgment. Performance obligations are generally sold at standard prices and subscriptions are generally coterminous. Therefore, it is rare that any reallocation of transaction consideration is required. The Company's best evidence of SSP is the observable price at which products and services are sold separately to customers, in similar circumstances or to similar customers in a single transaction, which is generally the stated contract price.

*Principal versus Agent*

The Company evaluates whether it is the principal (i.e., reports revenues on a gross basis) or agent (i.e., reports revenues on a net basis) with respect to the vendor reseller agreements pursuant to which the Company resells certain third-party solutions along with the Company's solutions. Generally, the Company reports revenues from these types of contracts on a gross basis, meaning the amounts billed to customers are recorded as revenues and expenses incurred are recorded as cost of revenues. Where the Company is the principal, it first obtains control of the inputs to the specific service and directs their use to create the combined output. The Company's control is evidenced by its involvement in the integration of the partners' services with the Company's solutions before the partners' services are transferred to the Company's customers and is further supported by the Company being primarily responsible to the customers, and having a level of discretion in establishing pricing. pricing, and is subject to credit loss. In cases where the Company does not obtain control prior to the



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transfer of services, and acts as an agent, revenue is reported on a net basis, with costs being recorded as a reduction to revenues.

The Company has concluded that its Agent related revenue is recorded in subscription fees related to monthly usage above revenue on the levels included in the standard subscription fee relates specifically to the transfer Company's consolidated statements of the service to the customer in that month and is consistent with the allocation objective of ASC 606 when considering all the performance obligations and payment terms in the contract. Therefore, the Company generally recognizes additional usage revenues in the month when the usage amounts are determined and reported. This allocation reflects the amount the Company expects to receive for the services for the given period. operations

***Contract Balances and Deferred Revenue***

The timing of customer billing and payment relative to the start of the service period varies from contract to contract; however, the Company bills many of its customers in advance of the provision of services under its contracts, resulting in contract liabilities consisting of deferred revenue. Deferred revenue represents billings under noncancellable contracts before the related product or service is transferred to the customer. The Company records an unbilled receivable when revenue is recognized prior to invoicing.





The deferred revenue balance consists of subscription and implementation fees which have been invoiced up front and are recognized as revenue only when the revenue recognition criteria are met. The Company's subscription contracts are typically invoiced to its customers annually or monthly based on the underlying contractual terms, and revenue is recognized ratably over the service term. Any fees invoiced up front for contracts that have a service term that extend multiple years, the portion of deferred revenue that will be recognized beyond 12 months from the date of the financial statements, are classified as long-term deferred revenue.

The payment terms and conditions vary by contract; however, the Company's terms generally require payment within 30 days from the invoice date. In instances where the timing of revenue recognition differs from the timing of payment, the Company elected to apply the practical expedient in accordance with ASC 606 to not adjust contract consideration for the effects of a significant financing component. The Company expects, at contract inception, that the period between when promised goods and services are transferred to the customer and when the customer pays for those goods and services will be one year or less. As such, the Company determined its contracts do not generally contain a significant financing component.

***Assets Recognized from Costs to Obtain a Contract with a Customer***

The Company capitalizes sales commissions and related payroll benefits related to its customer agreements because the commission charges are so closely related to the revenues from the noncancellable customer agreements that they should



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be recorded as an asset and charged to expense over the expected period of customer benefit. The Company capitalizes commissions for those involved in the sale of its SaaS offerings, including direct employees and their supervisors, as these are incremental to the sale. The Company begins amortizing deferred costs for a particular customer agreement once the revenue recognition criteria are met and amortizes those deferred costs over the expected period of customer benefit, which the Company estimates to be three years. The Company determined the period of benefit by considering factors such as historically high renewal rates with similar customers and contracts, initial contract length, an expectation that there will still be a demand for the product at the end of its term, and the significant costs to switch to a competitor's product, all of which are governed by the estimated useful life of the technology. Current costs are included in prepaid expenses and other current assets, and non-current costs are included in other assets on the accompanying consolidated balance sheets.

The Company applies a practical expedient to expense costs to obtain a contract with a customer, as incurred, when the amortization period would have been one year or less.

***Research and Development***

Research and development expenses are comprised primarily of salaries, benefits and share-based compensation associated with the Company’s engineering, product, and quality assurance personnel. Research and development expenses also include third-party contractors and allocated overhead. Other than software development costs that qualify for capitalization, as discussed above, research and development costs are expensed as incurred.

***Sales and Marketing***

Sales and marketing expenses consist primarily of compensation and employee benefits, including share-based compensation, of sales and marketing personnel and related sales support teams, sales and partner commissions, trade show and advertising costs, and allocated overhead. Sales and marketing expenses also include amortization of assets recognized from the costs to obtain a contract with a customer, as discussed above. Marketing costs, including advertising and trade show expenses are expensed as incurred, and were $1.5 million, $1.4 million, and $1.0 million for the years ended December 31, 2023, 2022, and 2021, respectively.

***Share-Based Compensation***

The Company accounts for share-based compensation by estimating the fair value of share-based payment awards at the grant date. The Company estimates the fair value of its share-based options using the Black-Scholes option-pricing model, and the portion that is ultimately expected to vest is recognized as compensation expense over the requisite service period.





Calculating share-based compensation expense requires the input of assumptions, including the expected term of the share-based awards, share price volatility, risk free interest rates, and the expected dividend yield of the Company’s



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common stock. Prior to the Company's IPO, the Company utilized an independent valuation specialist to assist with the Company's determination of the fair value per share. The methods used to determine the fair value per share included discounted cash flow analysis, comparable public company analysis, and comparable acquisition analysis. Starting in the third quarter of 2020 and until the Company's IPO, the probability-weighted expected return method was used and considered multiple exit scenarios, including a near term IPO. The assumptions used in calculating the fair value of share-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, share-based compensation expense could be materially different in the future.

The Company accounts for forfeitures when they occur. The Company has elected to recognize share-based compensation expense for service-based awards on a straight-line basis over the service vesting period. The Company recognizes compensation expense for awards subject to performance conditions using the graded attribution method.

***Debt Issuance Costs***

Debt issuance costs represent fees and other direct incremental costs incurred in connection with the Company's debt. Debt issuance costs related to the Company's term loan are netted against the Company's debt, and those related to the Company's revolving credit facility are included in prepaid expenses and other current assets, and other assets. These amounts are amortized into interest expense over the estimated life of the debt using the effective interest method for the Company's term loan and using the straight-line method for the Company's revolving credit facility.

The Company performs an analysis on a creditor-by-creditor basis when its debt is modified to determine if the debt instruments were substantially different. In the event of extinguishment, capitalized debt issuance costs are expensed. In the event of debt modification, lender related fees are capitalized, and third-party costs are expensed.

***Income Taxes***

The Company accounts for income taxes using the assets and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in the Company's tax returns. Deferred taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities, as well as from net operating loss and tax credit carryforwards. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will actually be paid, or refunds received, as provided for under currently enacted tax law. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes.

The Company recognizes deferred tax assets to the extent that these assets are more likely than not to be realized. If they are not, deferred tax assets are reduced by a valuation allowance. In making such a determination, all available positive and negative evidence is considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is subsequently determined that deferred tax assets would be more likely than not realized in the future, in excess of their net recorded amount, an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company accounts for uncertainty in income taxes recognized in its consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized which includes (a) the tax position must be evaluated to determine the likelihood that it is more likely than not of being sustained based solely on the technical merits of the position, and if so, (b) the tax position is then assessed to determine the amount of benefit to recognize in the consolidated financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. The benefit from income taxes includes the effects of



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any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related net interest and penalties.

The Company reports tax related interest and penalties, if any, as income tax expense. There were no material interest or penalties recorded for the years ended December 31, 2023, 2022, or 2021.





***Net Income (Loss) Per Share***

Basic net income (loss) per share was computed by dividing the net loss attributable to the common stockholders by the weighted average number of common stock outstanding during the period, without the consideration for potential dilutive common stock. For the purpose of calculating basic net income (loss) per share for the year ended December 31, 2021, the Company adjusted net income or loss for cumulative dividends on the Class A Units that had accrued through the reporting period end date for 2021 and through the date of the Corporate Conversion on July 27, 2021. Net income (loss) attributable to common stockholders is computed by deducting the dividends accumulated for the period on cumulative preferred units from net income or loss. If there was a net loss, the amount of the loss is increased by those preferred dividends.

For the purpose of calculating basic weighted average number of common stock outstanding during the year ended December 31, 2021, the Company retroactively reflected the effects of the Corporate Conversion with respect to the outstanding Class B common units, which converted into common stock on a one-for-one basis. The conversion of the Company's Class A Units into common stock was included in the basic weighted average number of common stock outstanding upon the date of the Corporate Conversion on a prospective basis during the year ended December 31, 2021.

Diluted net income (loss) per share was computed by dividing the net income (loss) attributable to common stockholders by the weighted-average number of common stock equivalents outstanding for the period determined using the treasury-stock method. Due to the net losses for the years ended December 31, 2023, and 2021, all otherwise potentially dilutive securities were antidilutive. Accordingly, basic net loss per share equaled diluted net loss per share for the years ended December 31, 2023, and 2021.

***Business Combinations***

The Company accounts for business combinations in accordance with Accounting Standards Codification ("ASC") 805, *"Business Combinations."* The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business generally being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill. Transaction costs associated with business combinations are expensed as incurred and are included in acquisition related costs on the consolidated



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statements of operations. The Company performs valuations of assets acquired and liabilities assumed and allocates the purchase price to its respective assets and liabilities. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue, costs and cash flows, discount rates, and selection of comparable companies. The Company engages the assistance of valuation specialists in concluding on fair value measurements in connection with management's determination of the fair values of assets acquired and liabilities assumed in a business combination. During the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date, changes in the estimated fair values of the net assets recorded may change the amount of the purchase price allocated to goodwill. During the measurement period, which expires one year from the acquisition date, changes to any purchase price allocations that are material to the Company's consolidated financial results will be adjusted prospectively.





**Accounting Pronouncements Recently Adopted**

The Company is an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and has elected to use the extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies.

***ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting"***

ASU 2020-04 provides optional guidance for a limited time to ease the potential accounting burden associated with transitioning away from reference rates, such as the London Inter-Bank Offered Rate (LIBOR), which regulators in the United Kingdom are currently phasing out. The expedients and exceptions provided by ASU 2020-04 are for the application of GAAP to contracts, hedging relationships, and other transactions affected by the rate reform. Companies can apply the ASU immediately on a prospective basis. However, the guidance will only be available for a limited time. In December 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-06 *"Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848"* which deferred the sunset date from December 31, 2022, to December 31, 2024, after which companies will no longer be permitted to apply the transition relief. The Company implemented its transition away from LIBOR during the year ended December 31, 2023, and the adoption did not have a material impact on its consolidated financial statements and related disclosures.

***ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments."***



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Rather than generally recognizing credit losses when it is probable that the loss has been incurred, the revised guidance requires companies to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that the company expects to collect over the instrument's contractual life. ASU 2016-13 requires use of a forward-looking expected credit loss model for accounts receivables, loans, and other financial instruments. Adoption of the standard requires using a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the effective date to align existing credit loss methodology with the new standard. The Company adopted this guidance effective January 1, 2023, and the adoption of this standard did not have a material impact on the Company's consolidated financial statements and disclosures.

**Recent Accounting Pronouncements Not Yet Adopted**

***ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures"***

ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for the Company for annual periods beginning after December 15, 2025, on a prospective or retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements and related disclosures.

***ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures"***

ASU 2023-07 requires enhanced disclosures about significant segment expenses and other segment items and requires companies to disclose all annual disclosures about segments in interim periods. The new standard also permits companies to disclose more than one measure of segment profit or loss, requires disclosure of the title and position of the Chief Operating Decision Maker, and requires companies with a single reportable segment to provide all disclosures required by Topic 280. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and companies are required to apply the ASU retrospectively to all periods presented. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and related disclosures.





**Note 3 – Revenue Recognition**

**Disaggregation of Revenue**

The following table disaggregates the Company's net revenues by solution type (in thousands):

| | Year Ended December 31, |
|---|---|



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| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Lending Software Solutions | $ 232,199 | $ 208,290 | $ 176,793 |
| Data Verification Software Solutions | 71,418 | 79,756 | 90,883 |
| Total | $ 303,617 | $ 288,046 | $ 267,676 |

During the year ended December 31, 2023, the Company updated its estimate of variable consideration associated with one of the Company's channel reseller contracts acquired through a past acquisition, which resulted in a $2.3 million reduction in Lending Software Solutions revenue for the period. The change in the estimate of variable consideration for that period was due to a commercial dispute with the reseller in the period, which resulted in a reduction in the amount the Company expected to receive under this contract, as the receipt of this amount was no longer considered to be probable, leading to the reduction in revenue.

The following table disaggregates the Company's net revenues by major source (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Subscription fees | $ 256,787 | $ 248,864 | $ 235,489 |
| Professional services | 36,250 | 29,320 | 22,707 |
| Other | 10,580 | 9,862 | 9,480 |
| Total revenues | $ 303,617 | $ 288,046 | $ 267,676 |

**Contract Balances**

The following table presents amounts related to customer contract-related arrangements, which are included on the consolidated balance sheets as follows (in thousands):

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Accounts receivable | $ 30,314 | $ 29,010 | $ 23,897 |
| Unbilled receivables | 2,098 | 3,895 | 1,016 |
| Accounts receivable, net | $ 32,412 | $ 32,905 | $ 24,913 |
| | | | |
| Deferred revenue, current | $ 17,224 | $ 16,945 | $ 14,707 |
| Long-term deferred revenue | 792 | 1,141 | — |

Unbilled receivables primarily result from revenue being recognized when or as control of a solution or service is transferred to the customer, but where invoicing is contingent upon the completion of other performance obligations or payment terms differ from the provisioning of services. Unbilled receivables and accounts receivable, net of the allowance for expected credit losses, are included within accounts receivable, net on the Company's consolidated balance sheets.



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**MERIDIANLINK, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS– (CONTINUED)**

Accounts receivable and unbilled receivables will increase or decrease based on the timing of invoices, customer payments, and recognition of revenue.

**Deferred Revenue Accounting Pronouncements Recently Adopted**

Deferred revenue consists The Company is an emerging growth company as defined in the Jumpstart Our Business Startups Act of subscription 2012 (the "JOBS Act") and implementation fees has elected to use the extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies.

***ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting"***

ASU 2020-04 provides optional guidance for a limited time to ease the potential accounting burden associated with transitioning away from reference rates, such as the London Inter-Bank Offered Rate (LIBOR), which regulators in the United Kingdom are currently phasing out. The expedients and exceptions provided by ASU 2020-04 are for the application of GAAP to contracts, hedging relationships, and other transactions affected by the rate reform. Companies can apply the ASU immediately on a prospective basis. However, the guidance will only be available for a limited time. In December 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-06 *"Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848"* which deferred the sunset date from December 31, 2022, to December 31, 2024, after which companies will no longer be permitted to apply the transition relief. The Company implemented its transition away from LIBOR during the year ended December 31, 2023, and the adoption did not have a material impact on its consolidated financial statements and related disclosures.

***ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments."***

Rather than generally recognizing credit losses when it is probable that the loss has been invoiced up front incurred, the revised guidance requires companies to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and are recognized as revenue only when the revenue recognition criteria are met. The Company's subscription contracts are typically invoiced amount of amortized cost that the company expects to its customers annually, and revenue is recognized ratably collect over the service term. Any fees invoiced up front instrument's contractual life. ASU 2016-13 requires use of a forward-looking expected credit loss model for contracts that accounts receivables, loans, and other financial instruments. Adoption of the standard requires using a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the effective date to align existing credit loss methodology with the new standard. The Company adopted this guidance effective January 1, 2023, and the adoption of this standard did not have a service term that extend multiple years, material impact on the portion Company's consolidated financial statements and disclosures.



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**Recent Accounting Pronouncements Not Yet Adopted**

***ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures"***

ASU 2023-09 is intended to enhance the transparency and decision usefulness of deferred revenue that will be recognized beyond 12 months from income tax disclosures. The amendments address investor requests for enhanced income tax information primarily through changes to the date rate reconciliation and income taxes paid information. ASU 2023-09 is effective for the Company for annual periods beginning after December 15, 2025, on a prospective or retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements and related disclosures.

***ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures"***

ASU 2023-07 requires enhanced disclosures about significant segment expenses and other segment items and requires companies to disclose all annual disclosures about segments in interim periods. The new standard also permits companies to disclose more than one measure of segment profit or loss, requires disclosure of the title and position of the Chief Operating Decision Maker, and requires companies with a single reportable segment to provide all disclosures required by Topic 280. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and companies are required to apply the ASU retrospectively to all periods presented. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements are classified as long-term deferred revenue. and related disclosures.





**Note 3 – Revenue Recognition**

**Disaggregation of Revenue**

The following table disaggregates the Company's net revenues by solution type (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
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| Total | $ 303,617 | $ 288,046 | $ 267,676 |

During the year ended December 31, 2023, the Company updated its estimate of variable consideration associated with one of the Company's channel reseller contracts acquired through a past acquisition, which resulted in a $2.3 million



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reduction in Lending Software Solutions revenue for the period. The change in the estimate of variable consideration for that period was due to a commercial dispute with the reseller in the period, which resulted in a reduction in the amount the Company expected to receive under this contract, as the receipt of this amount was no longer considered to be probable, leading to the reduction in revenue.

The following table disaggregates the Company's net revenues by major source (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Subscription fees | $ 256,787 | $ 248,864 | $ 235,489 |
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**Contract Balances**

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| Long-term deferred revenue | 792 | 1,141 | — |

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Assets Recognized from Costs to Obtain a Contract with a Customer

The Company capitalizes sales commissions related to its customer agreements because the commission charges are so closely related to the revenues from the noncancellable customer agreements that they should be recorded as an asset Accounts receivable and charged to expense over the expected period of customer benefit. The Company capitalizes commissions and bonuses for those involved in the sale of our SaaS offerings, including direct employees and indirect supervisors, as these are incremental to the sale. The Company begins amortizing deferred costs for a particular customer agreement once the revenue recognition criteria are met and amortizes those deferred costs over the expected period of customer benefit, which the Company estimates to be three years. The Company determined the period of benefit by considering factors such as historically high renewal rates with similar customers and contracts, initial contract length, an expectation that there unbilled receivables will still be a demand for the product at the end of its term, and the significant costs to switch to a competitor's product, all of which are governed by the estimated useful life of the technology. Current costs are included in prepaid expenses and other current assets, and non-current costs are included in other assets on the accompanying consolidated balance sheets. There was no impairment of assets related to deferred commissions during the years ended December 31, 2022, 2021, and 2020.

The Company applies a practical expedient to expense costs to obtain a contract with a customer, as incurred, when the amortization period would have been one year increase or less.

***Cost of Revenues***

Cost of revenues consists primarily of salaries and other personnel-related costs, including employee benefits, bonuses, and share-based compensation, for employees providing services to our customers. This includes the costs of our implementation, customer support, data center, and customer training personnel. Cost of revenues also includes the direct costs from third-party services included in our solutions, an allocation of general overhead costs, and the amortization of developed technology. We allocate general overhead expenses to all departments decrease based on the number timing of employees in each department, which we consider to be a fair invoices, customer payments, and representative means of allocation.

***General and Administrative***

General and administrative expenses consist primarily of personnel costs, including share-based compensation, associated with the Company’s executive, finance, legal, human resources, compliance, and other administrative personnel, as well as accounting and legal professional services fees, other corporate-related expenses and allocated overhead. General and administrative expenses also include changes in fair value of contingent consideration and amortization of intangible assets other than developed technology.

***Research and Development***

Research and development expenses are comprised primarily of salaries, benefits and share-based compensation associated with the Company’s engineering, product, and quality assurance personnel. Research and development expenses also include third-party contractors and allocated overhead. Other than software development costs that qualify for capitalization, as discussed above, research and development costs are expensed as incurred.

***Sales and Marketing***

Sales and marketing expenses consist primarily of compensation and employee benefits, including share-based compensation, of sales and marketing personnel and related sales support teams, sales and partner commissions, trade



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show and advertising costs, and allocated overhead. Sales and marketing expenses also include amortization of assets recognized from the costs to obtain a contract with a customer, as discussed above. Marketing costs, including advertising and trade show expenses are expensed as incurred, and were $1.4 million, $1.0 million, and $0.4 million for the years ended December 31, 2022, 2021, and 2020, respectively.

***Share-Based Compensation***

The Company accounts for share-based compensation by estimating the fair value of share-based payment awards at the grant date. The Company estimates the fair value of its share-based options using the Black-Scholes option-pricing model, and the portion that is ultimately expected to vest is recognized as compensation expense over the requisite service period.





Calculating share-based compensation expense requires the input of highly subjective assumptions, including the expected term of the share-based awards, fair value per share, share price volatility, risk free interest rates, and the expected dividend yield of the Company's common stock. Prior to the Company's IPO, the Company utilized an independent valuation specialist to assist with the Company's determination of the fair value per share. The methods used to determine the fair value per share included discounted cash flow analysis, comparable public company analysis, and comparable acquisition analysis. Starting in the third quarter of 2020 and until the Company's IPO, the probability-weighted expected return method was used and considered multiple exit scenarios, including a near term IPO. The assumptions used in calculating the fair value of share-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, share-based compensation expense could be materially different in the future.

The Company accounts for forfeitures when they occur. The Company has elected to recognize share-based compensation expense for service-based awards on a straight-line basis over the service vesting period. The Company recognizes compensation expense for awards subject to performance conditions using the graded attribution method.

***Acquisition Related Costs***

Acquisition related costs include legal, advisory, and other transaction costs incurred in connection with business combinations and are expensed as incurred. These costs also include one-time expenses directly related to completed acquisitions and additional professional services costs incurred while pursuing other strategic opportunities.

***Deferred Financing Fees***

Deferred financing fees represent fees and other direct incremental costs incurred in connection with the Company's debt. Deferred financing fees related to the Company's term loan are netted against the Company's debt. Deferred financing fees related to the Company's revolving credit facility are included in prepaid expenses and other current assets, and other



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assets. These amounts are amortized into interest expense over the estimated life of the debt using the effective interest method for the Company's term loan and using the straight line method for the Company's revolving credit facility.

In accordance with ASC 470-50, Debt—Modifications and Extinguishments, the Company will perform an analysis on a creditor-by-creditor basis when its debt is modified to determine if the debt instruments were substantially different. In the event of extinguishment, capitalized deferred financing costs are expensed. In the event of debt modification, lender related fees are capitalized, and third-party costs are expensed.

***Income Taxes***

The Company accounts for income taxes using the assets and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in the Company's tax returns. Deferred taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities, as well as from net operating loss and tax credit carryforwards. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will actually be paid, or refunds received, as provided for under currently enacted tax law. Changes in deferred tax assets and liabilities are recorded in the provision for (benefit from) income taxes. revenue.

The Company recognizes deferred tax assets to the extent that these assets are more likely than not to be realized. If they are not, deferred tax assets are reduced by a valuation allowance. In making such a determination, all available positive and negative evidence is considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is subsequently determined that deferred tax assets would be more likely than not realized in the future, in excess of their net recorded amount, an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.





The Company accounts for uncertainty in income taxes recognized in its consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized which includes (a) the tax position must be evaluated to determine the likelihood that it is more likely than not of being sustained based solely on the technical merits of the position, and if so, (b) the tax position is then assessed to determine the amount of benefit to recognize in the consolidated financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. The benefit from income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related net interest and penalties.

The Company reports tax related interest and penalties, if any, as income tax expense. There were no material interest or penalties recorded for the years ended December 31, 2022, 2021, or 2020.



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***Net Income (Loss) Per Share***

Basic net income (loss) per share was computed by dividing the net loss attributable to the common stockholders by the weighted average number of common stock outstanding during the period, without the consideration for potential dilutive common stock. For the purpose of calculating basic net income (loss) per share for the years ended December 31, 2021 and 2020, the Company adjusted net income or loss for cumulative dividends on the Class A Units that had accrued through the reporting period end date for 2020 and through the date of the Corporate Conversion on July 27, 2021. Net income (loss) attributable to common stockholders is computed by deducting the dividends accumulated for the period on cumulative preferred units from net income or loss. If there was a net loss, the amount of the loss is increased by those preferred dividends.

For the purpose of calculating basic weighted average number of common stock outstanding during the years ended December 31, 2021 and 2020, the Company retroactively reflected the effects of the Corporate Conversion with respect to the outstanding Class B common units, which converted into common stock on a one-for-one basis. The conversion of the Company's Class A Units into common stock was included in the basic weighted average number of common stock outstanding upon the date of the Corporate Conversion on a prospective basis during the year ended December 31, 2022.

Diluted net income (loss) per share was computed by dividing the net income (loss) attributable to common stockholders by the weighted-average number of common stock equivalents outstanding for the period determined using the treasury-stock method. Due to a net loss after adjusting for the cumulative dividends on the preferred units during the years ended December 31, 2021 and 2020, all otherwise potentially dilutive securities were antidilutive. Accordingly, basic net loss per share equaled diluted net loss per share for the years ended December 31, 2021 and 2020.

**Accounting Pronouncements Recently Adopted**

The Company is an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and has elected to use the extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies.





***ASU 2016-02, "Leases (Topic 842)"***

The new standard establishes 2020-04 provides optional guidance for a right-of-use model that requires a lessee limited time to record a ROU asset and a lease liability on ease the balance sheet for all leases potential accounting burden associated with terms longer than 12 months. Leases will be classified transitioning away from reference rates, such as either finance or operating, with classification affecting the pattern of expense recognition London Inter-Bank Offered Rate (LIBOR), which regulators in the consolidated statements United Kingdom are currently phasing out. The expedients and exceptions provided by ASU 2020-04 are for the application of operations. The new standard provides GAAP to contracts, hedging relationships, and other transactions affected by the rate reform. Companies can apply the ASU immediately on a prospective basis. However, the guidance will only be available for a modified retrospective approach which requires



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recognition at limited time. In December 2022, the beginning Financial Accounting Standards Board ("FASB") issued ASU 2022-06 *"Reference Rate Reform (Topic 848): Deferral of the earliest comparative period presented Sunset Date of leases that exist at that Topic 848"* which deferred the sunset date as well as adjusting equity at from December 31, 2022, to December 31, 2024, after which companies will no longer be permitted to apply the beginning of the earliest comparative period presented as if the new standard had always been applied. In July 2018, the FASB issued ASU 2018-11, which provides an additional transition method. Under the additional transition method, an entity initially applies the new lease guidance at the adoption date (rather than at the beginning of the earliest period presented). Therefore, an entity which elects the additional transition method would apply Topic 840 in the comparative periods and recognize the effects of applying Topic 842 as a cumulative adjustment to retained earnings as of the adoption date. If an entity elects the new transition method, it is required to provide the Topic 840 disclosures for all prior periods presented that remain under the legacy lease guidance.

relief. The Company adopted implemented its transition away from LIBOR during the new standard on January 1, 2022, utilizing the optional transition approach to not apply Topic 842 in the comparative periods presented. Additionally, the Company elected the package of practical expedients to not (1) reassess whether any expired or existing contracts are considered or contain leases; (2) reassess the lease classification for any expired or existing leases; and (3) reassess the initial direct costs for any existing leases. The most significant impact upon adoption was related to its long-term office space leases that resulted in the recognition of right of use assets and related liabilities of approximately $2.6 million and $3.4 million, respectively, on the Company's consolidated balance sheets.

***ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers"***

The amendments in this ASU require that an acquirer recognizes and measures contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 rather than at fair value. The ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years and should be applied prospectively to business combinations occurring on or after the effective date of the amendments. Early adoption is permitted.

The Company adopted the new standard on January 1, 2022, prospectively, for business combinations that occur subsequent to the adoption date. The adoption did not have a material impact on the Company's consolidated financial statements.





***ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes"***

The standard simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 related to the approach for intraperiod tax allocation and the recognition of deferred tax liabilities for outside basis differences and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The standard



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also improves consistent application of and simplifies GAAP for other areas of Topic 740 by clarifying and amending existing guidance.

The Company adopted this standard update prospectively during Q4 2022 for the fiscal year ended December 31, 2022. The December 31, 2023, and the adoption did not have a material impact on its consolidated financial statements and related disclosures disclosures..

**Recent Accounting Pronouncements Not Yet Adopted**

***ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments."***

Rather than generally recognizing credit losses when it is probable that the loss has been incurred, the revised guidance requires companies to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that the company expects to collect over the instrument's contractual life.

ASU 2016-13 requires use of a forward-looking expected credit loss model for accounts receivables, loans, and other financial instruments. Adoption of the standard requires using a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the effective date to align existing credit loss methodology with the new standard. The Company adopted this guidance effective January 1, 2023, and the adoption of this standard did not have a material impact on the Company's consolidated financial statements and disclosures.

**Recent Accounting Pronouncements Not Yet Adopted**

***ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures"***

ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for the Company for fiscal years annual periods beginning after December 15, 2022 December 15, 2025, including interim periods within those fiscal years; early on a prospective or retrospective basis. Early adoption is permitted. The Company intends to adopt the new standard as of January 1, 2023 as a cumulative effect adjustment to retained earnings. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and disclosures.

***ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting"***

ASU 2020-04 provides optional guidance for a limited time to ease the potential accounting burden associated with transitioning away from reference rates, such as the London Inter-Bank Offered Rate (LIBOR), which regulators in the United Kingdom are currently phasing out. The expedients and exceptions provided by ASU 2020-04 are for the application of U.S. GAAP to contracts, hedging relationships, and other transactions affected by the rate reform. Companies can apply the ASU immediately. However, the guidance will only be available for a limited time. In December 2022, the FASB issued ASU 2022-06 which deferred the sunset date from December 31, 2022 to December 31, 2024, after which companies will no longer be permitted to apply the transition relief. The Company is currently evaluating the impact of this guidance accounting standard update on its consolidated financial statements and related disclosures.

***ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures"***



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ASU 2023-07 requires enhanced disclosures about significant segment expenses and other segment items and requires companies to disclose all annual disclosures about segments in interim periods. The new standard also permits companies to disclose more than one measure of segment profit or loss, requires disclosure of the title and position of the Chief Operating Decision Maker, and requires companies with a single reportable segment to provide all disclosures required by Topic 280. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and companies are required to apply the ASU retrospectively to all periods presented. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and related disclosures.





**Note 3 – Revenue Recognition**

**Disaggregation of Revenue**

The following table disaggregates the Company's net revenues by solution type (in thousands):

| | | Year Ended December 31, | | |
|---|---|---|---|---|
| | | 2022 | 2021 | 2020 |
| | | Year Ended December 31, | | |
| | | Year Ended December 31, | | |
| | | Year Ended December 31, | | |
| | 2023 | | | 2023 | 2022 | 2021 |
| Lending Software Solutions | Lending Software Solutions | $208,290 | $176,793 | $133,754 | | |
| Data Verification Software Solutions | Data Verification Software Solutions | 79,756 | 90,883 | 65,586 | | |
| Total | Total | $288,046 | $267,676 | $199,340 | | |

During the year ended December 31, 2023, the Company updated its estimate of variable consideration associated with one of the Company's channel reseller contracts acquired through a past acquisition, which resulted in a $2.3 million reduction in Lending Software Solutions accounted for 72%, 66%, and 67% of total revenues revenue for the years ended December 31, 2022, 2021, period. The change in the estimate of variable consideration for that period was due to a commercial dispute with the reseller in the period, which resulted in a reduction in the amount the Company expected to



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receive under this contract, as the receipt of this amount was no longer considered to be probable, leading to the reduction in revenue.

The following table disaggregates the Company's net revenues by major source (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Subscription fees | $ 256,787 | $ 248,864 | $ 235,489 |
| Professional services | 36,250 | 29,320 | 22,707 |
| Other | 10,580 | 9,862 | 9,480 |
| Total revenues | $ 303,617 | $ 288,046 | $ 267,676 |

**Contract Balances**

The following table presents amounts related to customer contract-related arrangements, which are included on the consolidated balance sheets as follows (in thousands):

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Accounts receivable | $ 30,314 | $ 29,010 | $ 23,897 |
| Unbilled receivables | 2,098 | 3,895 | 1,016 |
| Accounts receivable, net | $ 32,412 | $ 32,905 | $ 24,913 |
| | | | |
| Deferred revenue, current | $ 17,224 | $ 16,945 | $ 14,707 |
| Long-term deferred revenue | 792 | 1,141 | — |

Unbilled receivables primarily result from revenue being recognized when or as control of a solution or service is transferred to the customer, but where invoicing is contingent upon the completion of other performance obligations or payment terms differ from the provisioning of services. Unbilled receivables and 2020 respectively. Data Verification Software Solutions accounted accounts receivable, net of the allowance for 28%, 34%, and 33% of total revenues for expected credit losses, are included within accounts receivable, net on the years ended December 31, 2022, 2021, and 2020, respectively. Company's consolidated balance sheets.







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The following table disaggregates Accounts receivable and unbilled receivables will increase or decrease based on the Company's net revenues by major source (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Subscription fees | $ 248,864 | $ 235,489 | $ 177,039 |
| Professional services | 29,320 | 22,707 | 16,301 |
| Other | 9,862 | 9,480 | 6,000 |
| Total revenues | $ 288,046 | $ 267,676 | $ 199,340 |

timing of invoices, customer payments, and recognition of revenue.

***Deferred Revenue***

The balance of deferred revenue will increase or decrease based on the timing of invoices and recognition of revenue. Significant changes in the Company's our deferred revenue as of December 31, 2022 liability balances during the years ended December 31, 2023, and 2021 2022 were as follows (in thousands):

| | | Year Ended December 31, | |
|---|---|---|---|
| | | 2022 | 2021 |
| | | As of December 31, | |
| | | As of December 31, | |
| | | As of December 31, | |
| | 2023 | | |
| Deferred revenue, beginning balance | | | |
| Deferred revenue, beginning balance | | | |
| Deferred revenue, beginning balance | Deferred revenue, beginning balance | $ 14,707 | $ 10,873 |
| Billing of transaction consideration | Billing of transaction consideration | 291,425 | 271,510 |
| Billing of transaction consideration | | | |
| Billing of transaction consideration | | | |
| Revenue recognized | | | |
| Revenue recognized | | | |
| Revenue recognized | Revenue recognized | (288,046) | (267,676) |
| Deferred revenue, ending balance | Deferred revenue, ending balance | $ 18,086 | $ 14,707 |
| Deferred revenue, ending balance | | | |
| Deferred revenue, ending balance | | | |
| Deferred revenue, current | | | |



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| | | | |
|---|---|---|---|
| Deferred revenue, current | | | |
| Deferred revenue, current | Deferred revenue, current | $ 16,945 | $ 14,707 |
| Long-term deferred revenue | Long-term deferred revenue | 1,141 | — |
| Long-term deferred revenue | | | |
| Long-term deferred revenue | | | |
| Total deferred revenue | Total deferred revenue | $ 18,086 | $ 14,707 |
| Total deferred revenue | | | |
| Total deferred revenue | | | |

**Assets Recognized from Costs to Obtain a Contract with a Customer**

The following table represents the changes in contract cost assets (in thousands):

| | | Year Ended December 31, | |
|---|---|---|---|
| | | 2022 | 2021 |
| | 2023 | As of December 31, | As of December 31, |
| Beginning balance | | | |
| Beginning balance | | | |
| Beginning balance | Beginning balance | $ 5,835 | $ 3,207 |
| Additions | Additions | 3,267 | 4,136 |
| Additions | | | |
| Additions | | | |
| Amortization | | | |
| Amortization | | | |
| Amortization | Amortization | (2,563) | (1,508) |
| Ending balance | Ending balance | $ 6,539 | $ 5,835 |
| Ending balance | | | |
| Ending balance | | | |
| Contract cost assets, current | | | |
| Contract cost assets, current | | | |
| Contract cost assets, current | Contract cost assets, current | $ 2,938 | $ 2,402 |



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| | | | |
|---|---|---|---|
| Contract cost assets, noncurrent | Contract cost assets, noncurrent | 3,601 | 3,433 |
| Total deferred contract cost assets | | $ 6,539 | $ 5,835 |
| Contract cost assets, noncurrent | | | |
| Contract cost assets, noncurrent | | | |
| Total contract cost assets | | | |
| Total contract cost assets | | | |
| Total contract cost assets | | | |

There was no impairment of assets related to contract cost assets during the years ended December 31, 2023, 2022, and 2021.

**Accounts Receivable and Allowance for Credit Losses**

A rollforward of the Company's allowance for expected credit losses balance for the year ended December 31, 2023, is as follows (in thousands):

| | As of December 31, 2023 |
|---|---|
| Allowance for doubtful accounts, December 31, 2022 | $ 165 |
| Impact of adopting ASU 2016-13 | — |
| Allowance for expected credit losses, January 1, 2023 | 165 |
| Provision for expected credit losses | 930 |
| Write offs, net | (581) |
| Allowance for expected credit losses, December 31, 2023 | $ 514 |





Prior to the adoption of ASU 2016-13, a rollforward of the Company's allowance for doubtful accounts is as follows (in thousands):



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| | As of December 31, 2022 |
|---|---|
| Beginning balance | $ 215 |
| Provision for doubtful accounts | — |
| Write offs, net | (50) |
| Ending balance | $ 165 |

**Note 4 – Balance Sheet Components**

**Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consisted of the following (in thousands):

| As of December 31, | | As of December 31, | |
|---|---|---|---|
| 2023 | | 2023 | 2022 |
| Prepaid expenses | | | |
| Contract cost assets, current | | | |

| | As of December 31, 2022 | As of December 31, 2021 |
|---|---|---|
| Prepaid expenses | $ 6,069 | $ 6,752 |
| Contract cost assets – current | 2,938 | 2,402 |
| Income tax receivable | | |
| Income tax receivable | | |
| Others | 440 | 244 |
| Income tax receivable | | |
| Other | | |
| Total prepaid expenses and other current assets | $ 9,447 | $ 9,398 |



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**Cloud Computing Arrangements**

Capitalized deferred implementation costs for cloud computing arrangements consisted of the following (in thousands):

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Capitalized deferred implementation costs | $ 1,779 | $ 442 |
| Accumulated amortization | (208) | (111) |
| Capitalized deferred implementation costs, net | $ 1,571 | $ 331 |

Amortization expense for capitalized deferred implementation costs was $0.1 million, $0.1 million, and $0.0 million for the years ended December 31, 2023, 2022, and 2021, respectively.

**Property and Equipment, Net**

Property and equipment, net consisted of the following (in thousands):

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Computer equipment and software | $ 8,794 | $ 7,854 |
| Leasehold improvements | 2,732 | 2,732 |
| Office equipment and furniture | 990 | 978 |
| Total | 12,516 | 11,564 |
| Accumulated depreciation | (9,179) | (7,319) |
| Property and equipment, net | $ 3,337 | $ 4,245 |





Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

| | As of December 31, 2022 | As of December 31, 2021 |
|---|---|---|



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| | | |
|---|---|---|
| Computer equipment and software | $ 7,854 | $ 7,995 |
| Leasehold improvements | 2,732 | 2,994 |
| Office equipment and furniture | 978 | 1,378 |
| Total | 11,564 | 12,367 |
| Less: Accumulated depreciation | (7,319) | (6,378) |
| Property and equipment, net | $ 4,245 | $ 5,989 |

Depreciation expense amounted to $2.3 $1.9 million, $2.3 million, $2.3 million, and $2.5 million $2.3 million for the years ended December 31, 2022 December 31, 2023, 2022, 2021, and 2020, respectively. The Company disposed of office furniture that resulted in a loss of $0.0 million, $0.7 million, $0.5 million, and $0.1 $0.5 million during for the years ended December 31, 2022 December 31, 2023, 2022, 2021, and 2020, respectively. The losses are included in general and administrative expenses in on the accompanying consolidated statements of operations.

In December 2022, the Company terminated one of its office leases upon expiration of the lease term. The termination resulted in a loss on disposal of property and equipment and related assets of $0.5 million. The loss is included in operating general and administrative expenses on the accompanying consolidated statements of operations.

In October, 2020, the Company terminated one of its office leases that had been accounted for as a financing obligation. The termination resulted in the disposal of property and equipment and related assets of $12.8 million, the write off of the $9.1 million financing obligation liability due to related party, and a termination fee of $2.1 million. The total loss of $5.8 million is included in operating expenses on the accompanying consolidated statements of operations.

**Intangible Assets, Net**

Intangible assets, net consisted of the following (in thousands):

| | As of December 31, 2023 | | |
|---|---|---|---|
| | Gross Amount | Accumulated Amortization | Net Carrying Amount |
| Customer relationships | $ 343,300 | $ (166,485) | $ 176,815 |
| Developed technology | 96,400 | (52,039) | 44,361 |
| Trademarks | 24,975 | (12,803) | 12,172 |
| Non-competition agreements | 5,500 | (1,743) | 3,757 |
| Capitalized software | 28,997 | (15,042) | 13,955 |
| Total intangible assets, net | $ 499,172 | $ (248,112) | $ 251,060 |

| | As of December 31, 2022 | | |
|---|---|---|---|
| | Gross Amount | Accumulated Amortization | Net Carrying Amount |
| Customer relationships | $ 343,300 | $ (132,298) | $ 211,002 |



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| | | | |
|---|---|---|---|
| Developed technology | 96,400 | (40,360) | 56,040 |
| Trademarks | 24,975 | (10,205) | 14,770 |
| Non-competition agreements | 5,500 | (688) | 4,812 |
| Capitalized software | 19,443 | (8,592) | 10,851 |
| Total intangible assets, net | $ 489,618 | $ (192,143) | $ 297,475 |

| | As of December 31, 2021 | | |
|---|---|---|---|
| | Gross Amount | Accumulated Amortization | Net Carrying Amount |
| Customer relationships | $ 328,600 | $ (99,320) | $ 229,280 |
| Developed technology | 74,800 | (29,207) | 45,593 |
| Trademarks | 24,175 | (7,474) | 16,701 |
| Non-competition agreements | 600 | (225) | 375 |
| Capitalized software | 10,902 | (4,254) | 6,648 |
| Total intangible assets, net | $ 439,077 | $ (140,480) | $ 298,597 |

The weighted average remaining useful lives for intangible assets as of December 31, 2023, were as follows:

| | Weighted Average Remaining Useful Life (in years) |
|---|---|
| Customer relationships | 6 |
| Developed technology | 6 |
| Trademarks | 5 |
| Non-competition agreements | 4 |
| Capitalized software | 2 |





The weighted average remaining useful lives for intangible assets at December 31, 2022 were as follows:



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| | Weighted Average Remaining Useful Life |
|---|---|
| Customer relationships | 6 years |
| Developed technology | 5 years |
| Trademarks | 6 years |
| Non-competition agreements | 4 years |
| Capitalized software | 3 years |

Amortization expense related to intangible assets was as follows (in thousands):

| | | Year Ended December 31, | | |
|---|---|---|---|---|
| | | 2022 | 2021 | 2020 |
| | | Year Ended December 31, | | |
| | | Year Ended December 31, | | |
| | | Year Ended December 31, | | |
| | 2023 | | | |
| Cost of revenues | Cost of revenues | $15,553 | $12,519 | $ 8,874 |
| General and administrative expense | General and administrative expense | 36,110 | 35,631 | 28,809 |
| Total amortization expense | Total amortization expense | $51,663 | $48,150 | $37,683 |

| | | 2023 | 2022 | 2021 |
|---|---|---|---|---|

The estimated future amortization of intangible assets as of December 31, 2022 December 31, 2023, was as follows (in thousands):

| Years ending December 31, | Years ending December 31, | |
|---|---|---|
| 2023 | | $ 54,707 |
| 2024 | | |
| 2024 | | |
| 2024 | 2024 | 52,758 |
| 2025 | 2025 | 46,877 |
| 2026 | 2026 | 42,314 |
| 2027 | 2027 | 42,052 |
| 2028 | | |
| Thereafter | Thereafter | 58,767 |
| Total amortization expense | Total amortization expense | $ 297,475 |



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Accrued Liabilities For the years ended December 31, 2023, 2022, and 2021, the Company capitalized $9.6 million, $8.5 million, and $5.0 million respectively, related to internally developed software costs.

Accrued liabilities consisted No impairment of long-lived assets was recorded during the years ended December 31, 2023, 2022, and 2021.

**Goodwill**

A rollforward of the following Company's goodwill balance for the years ended December 31, 2023 and 2022, is as follows (in thousands):

| | As of December 31, 2022 | As of December 31, 2021 |
|---|---|---|
| Accrued payroll and payroll-related expenses | $ 9,836 | $ 8,522 |
| Accrued bonuses | 5,947 | 6,708 |
| Sales tax liability from acquisitions | 4,572 | 2,939 |
| Accrued operating costs | 4,016 | 2,099 |
| Accrued costs of revenues | 3,141 | 2,217 |
| Lease liability – current | 1,223 | 233 |
| User conference | 755 | 170 |
| Other accrued expenses | 3,010 | 1,779 |
| Total accrued liabilities | $ 32,500 | $ 24,667 |

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Beginning balance | $ 608,657 | $ 564,799 |
| OpenClose acquisition | — | 37,038 |
| StreetShares acquisition | — | 6,820 |
| Adjustments to OpenClose acquisition date fair value | 274 | — |
| Adjustments to StreetShares acquisition date fair value | 1,132 | — |
| Ending balance | $ 610,063 | $ 608,657 |

During the year ended December 31, 2023, the Company used the qualitative approach to perform its annual goodwill impairment test and concluded it was more likely than not that the fair value of the Company's reporting unit exceeded the carrying value of its net assets. No goodwill impairment was recorded during the years ended December 31, 2023, 2022, and 2021.



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**MERIDIANLINK, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

## Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Accrued payroll and payroll-related expenses | $ 9,501 | $ 9,836 |
| Accrued bonuses | 6,424 | 5,947 |
| Sales tax liabilities from acquisitions | 3,383 | 4,572 |
| Accrued operating costs | 3,655 | 4,016 |
| Accrued costs of revenues | 2,003 | 3,141 |
| Customer deposits | 1,302 | 476 |
| Operating lease liabilities – current | 773 | 1,223 |
| User conference accrual | 1,073 | 755 |
| Other accrued liabilities | 2,559 | 2,534 |
| Total accrued liabilities | $ 30,673 | $ 32,500 |

## Note 5 – Commitments and Contingencies

### Legal Matters

The Company is, and from time to time may be, involved in legal proceedings and claims arising out of the Company's operations in the ordinary course of business. Management is not currently aware of any legal proceedings or claims against it that could have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

### Other Contractual Commitments

The Company's contractual commitments primarily consist of third-party cloud infrastructure agreements and service subscription arrangements used to support operations at the enterprise level. Future minimum payments under the Company's non-cancelable purchase commitments as of December 31, 2022 December 31, 2023, are as follows (in thousands):

| Contractual Commitments | Contractual Commitments |
|---|---|



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| Years ending December 31, | | |
|---|---|---|
| 2024 | | |
| 2024 | | |
| 2024 | | |
| | | **Contractual Commitments** |
| Years ending December 31, | | |
| 2023 | $ | 375 |
| 2024 | | 395 |
| 2025 | | 5,170 |
| Thereafter | | |
| Thereafter | | |
| Thereafter | | |
| Total | Total | $ 5,940 |

**Note 6 – Leases Debt**

The Company leases office space and server equipment under various operating lease agreements that expire through December 2026. The Company recognizes the related rent expense on a straight-line basis over the term of each lease. Free rent and rental increases are recognized on a straight-line basis over the term of each lease.

As of December 31, 2022, the weighted average remaining lease term was three years and the weighted average discount rate was 5.8%. The Company does not have any finance leases as of December 31, 2022.

One lease was with a related party that expired in December 2022. The monthly payments during each Debt consisted of the years ended December 31, 2022, 2021, and 2020 were $0.1 million.

The Company also has subleases of former office spaces which expire at various dates from 2022 to 2026. Sublease income from operating leases, which is recorded as a reduction of rental expense, was $0.4 million, $0.2 million, and $0.0 million for the years ended December 31, 2022, 2021, and 2020, respectively. One of the subleases was entered into during March 2022 resulting in a total loss of $0.1 million from the disposal of related assets. The loss is included in general and administrative expense on the consolidated statements of operations for the years ended December 31, 2022.

Rent expense, gross of sublease income, has been recorded in the consolidated statements of operations for the year ended December 31, 2022 following (in thousands):



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| | Year Ended December 31, 2022 |
|---|---|
| Cost of revenues | $ 720 |
| General and administrative | 260 |
| Research and development | 579 |
| Sales and marketing | 240 |
| Total rent expense | $ 1,799 |

The following table presents supplemental cash flow information about the Company's leases (in thousands):

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| 2021 Term loan | $ 427,388 | $ 431,738 |
| Debt issuance costs | (3,842) | (4,829) |
| Total debt, net | 423,546 | 426,909 |
| Less: Current portion of debt | | |
| 2021 Term loan | 4,350 | 4,350 |
| Debt issuance costs | (808) | (845) |
| Total current portion of debt, net | 3,542 | 3,505 |
| Total non-current portion of debt, net | $ 420,004 | $ 423,404 |





| | Year Ended December 31, 2022 |
|---|---|
| Cash paid for amounts included in the measurement of lease liabilities | $ 2,008 |
| Operating lease assets obtained in exchange for new operating lease liabilities | 1,033 |

The following table presents supplemental balance sheet information about the Company's leases (in thousands):



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| | As of December 31, 2022 |
|---|---|
| Operating lease ROU assets | $ 2,185 |
| | |
| Operating lease liabilities, current | $ 1,223 |
| Noncurrent operating lease liabilities | 1,282 |
| Total operating lease liabilities | $ 2,505 |

As Amortization of December 31, 2022 debt issuance costs was $1.1 million, remaining maturities of lease liabilities were as follows (in thousands):

| | As of December 31, 2022 |
|---|---|
| Years Ending December 31, | |
| 2023 | $ 1,259 |
| 2024 | 843 |
| 2025 | 320 |
| 2026 | 245 |
| Total operating lease payments (1) | 2,667 |
| Less: imputed interest | (162) |
| Total operating lease liabilities | $ 2,505 |

(1) Presented gross of sublease income. The Company expects to receive sublease income of approximately $0.3 million in 2023, $0.2 million in 2024, $0.2 million in 2025, $2.8 million, and $0.2 million in 2026.

As of December 31, 2021, prior to the adoption of Topic 842, the aggregate future non-cancelable minimum rental payments and expected sublease receipts were as follows (in thousands):

| | Related Party | Third Party | Sublease Receipts | Total |
|---|---|---|---|---|
| Years Ending December 31, | | | | |
| 2022 | $ 875 | $ 736 | $ (293) | $ 1,318 |
| 2023 | — | 753 | — | 753 |
| 2024 | — | 722 | — | 722 |
| 2025 | — | 319 | — | 319 |
| 2026 | — | 244 | — | 244 |
| Thereafter | — | — | — | — |
| Total future minimum lease payments | $ 875 | $ 2,774 | $ (293) | $ 3,356 |



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Rent expense $3.4 million for the years ended December 31, 2021 December 31, 2023, 2022, and 2020 was as follows (in thousands):





| | Year Ended December 31, | |
|---|---|---|
| | 2021 | 2020 |
| Cost of revenues | $ 735 | $ 743 |
| General and administrative | 186 | 321 |
| Research and development | 472 | 464 |
| Sales and marketing | 207 | 178 |
| Total rent expense | $ 1,600 | $ 1,706 |

As of December 31, 2021, the Company had an accrued lease termination liability related to leased office space it ceased using during February 2021. The termination liability as of December 31, 2021 was $0.2 million. Upon adoption of Topic 842 on January 1, 2022, the termination liability was removed as an adjustment to the related right of use asset.

***Financing Obligation Due to Related Party***

The Company entered into a sale-leaseback transaction on April 29, 2019 for one of its office properties, in which the Company was involved in the construction of significant changes to the existing building and was considered the continued owner of the building for accounting purposes. Under the terms of the lease and based on certain prohibited forms of continuing involvement in the leased assets, the lease did not qualify for sale-leaseback accounting and was accounted for as a financing obligation. The financing obligation was equal to the proceeds received for the assets that were sold and then leased back.

The lease provided for the lease of land, building, and leasehold improvements on the building. The lease provided for an initial term of fifteen years with no purchase option. On October 31, 2020, the Company terminated the lease. The termination resulted in the disposal of property and equipment and related assets of $12.8 million, the write off of the $9.1 million financing obligation liability due to related party, and a termination fee of $2.1 million. A loss of $5.8 million was recorded upon the termination.

Prior to termination, a portion of the periodic lease payments under the lease were recognized as interest expense with the remainder of the lease payment reducing the financing obligation using the effective interest method. In 2020, through termination, the Company made payments related to this financing obligation of $0.4 million, of which, $0.4 million was recognized as interest expense and $0.1 million was recorded as a reduction of the financing obligation.



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**Note 7 – Long-Term Debt**

Long-term debt consisted of the following (in thousands):

| | As of December 31, 2022 | As of December 31, 2021 |
|---|---|---|
| 2021 Term loan | $ 431,738 | $ 435,000 |
| Debt issuance costs | (4,829) | (7,490) |
| Total debt, net | 426,909 | 427,510 |
| Less: Current portion of long-term debt | | |
| 2021 Term loan | 4,350 | 3,263 |
| Debt issuance costs | (845) | (1,124) |
| Total current portion of long-term debt, net | 3,505 | 2,139 |
| Total non-current portion of long-term debt, net | $ 423,404 | $ 425,371 |

Amortization of deferred financing fees was $2.8 million, $3.4 million, and $1.8 million for the years ended December 31, 2022, 2021, and 2020, respectively. Total interest expense, excluding amortization of deferred financing fees, debt issuance costs, was $21.6 million $37.1 million, $29.2 million $21.6 million, and $32.8 million $29.2 million for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, and 2020, respectively.





**2021 Credit Agreement**

On November 10, 2021, the Company entered into a credit agreement (the “2021 Credit Agreement”), which provides for a term loan facility (the “2021 Term Loan”) in an aggregate principal amount of $435.0 million, and a revolving credit facility (the “2021 Revolving Credit Facility”) in an aggregate principal amount of $50.0 million, inclusive of a $10.0 million letter of credit sub-facility. The Company used the proceeds from the 2021 Term Loan to pay all outstanding amounts due under the Company’s previous 2018 First Lien plus certain fees and expenses. The 2021 Term Loan and 2021 Revolving Credit Facility mature on November 10, 2028, and November 10, 2026, respectively. The Company has not drawn on the 2021 Revolving Credit Facility as of December 31, 2022 December 31, 2023.

During the second quarter of 2023, the Company entered into a conforming changes amendment to the 2021 Credit Agreement that established the Secure Overnight Financing Rate (“SOFR”) as the benchmark rate used in the definition of



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the Eurocurrency Rate for its 2021 Term Loan and 2021 Revolving Credit Facility. Under the terms of the conforming changes amendment, SOFR will be used as the benchmark rate for interest periods beginning on or after June 30, 2023. In connection with the amendment, the Company incurred $0.1 million of financing fees that was expensed during the three months ended June 30, 2023.

The obligations under the 2021 Credit Agreement are secured by a lien on substantially all tangible and intangible property of the Company, subject to customary exceptions, limitations, and exclusions from the collateral.

The 2021 Credit Agreement contains customary affirmative covenants, negative covenants and events of default, including covenants and restrictions that, among other things, require the Company to satisfy a financial covenant, and restricts or limits the ability of the Company to grant or incur liens, incur additional indebtedness, enter into joint ventures or partnerships, engage in mergers and acquisitions, engage in asset sales, and declare dividends on its capital stock, subject in each case to certain customary exceptions. A failure to comply with certain covenants could permit the lenders to declare the 2021 Term Loan, and any then outstanding borrowings on the 2021 Revolving Credit Facility, together with accrued interest and fees thereon, to be immediately due and payable. The Company was in compliance with all financial covenants of the 2021 Credit Agreement at December 31, 2022 December 31, 2023.

***2021 Term Loan***

Borrowings under the 2021 Term Loan bear interest at a variable rate, elected by the Company, equal to the Base Rate (as defined in the 2021 Credit Agreement) or the Adjusted Eurocurrency Rate (as defined in the 2021 Credit Agreement), plus, an initial margin based on the Company's Consolidated First Lien Net Leverage Ratio (as defined by the 2021 Credit Agreement), which was 3.00% at December 31, 2022 December 31, 2023. Beginning in June 2022, the Company is required to make quarterly principal payments equal to 0.25% of the original principal, with the remainder due at maturity.

Debt issuance costs of $7.6 million were included as a reduction of the debt balance on the consolidated balance sheets and are amortized into interest expense over the contractual life of the loans using the effective interest method. Included in the debt issuance costs were $4.8 million incurred in connection with the 2021 Term Loan, and $2.8 million carried forward from the Company's previous 2018 First Lien. The Company recognized $1.0 million, $2.7 million, and $0.2 million of amortization of debt issuance costs for the 2021 Term Loan during the years ended December 31, 2022 December 31, 2023, 2022, and 2021, respectively. The effective interest rate on the 2021 Term Loan was 8.5% 8.9% as of December 31, 2022 December 31, 2023.

***2021 Revolving Credit Facility***

Borrowings under the 2021 Revolving Credit Facility bear interest, at the election of the Company, at a rate equal to the Base Rate (as defined in the 2021 Credit Agreement) or the Adjusted Eurocurrency Rate (as defined in the 2021 Credit Agreement), plus, in each case, the Applicable Rate (as defined in the 2021 Credit Agreement), which shall vary based on the Company's Consolidated First Lien Net Leverage Ratio.



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In connection with the 2021 Revolving Credit Facility, the Company incurred $0.5 million in debt issuance costs. Expenses associated with the issuance of the revolving credit facility are presented in the accompanying consolidated balance sheets in prepaid expenses and other current assets and other assets, and are amortized to interest expense over the life of the 2021 Revolving Credit Facility using the straight-line method. The remaining unamortized debt issuance costs were $0.4 million $0.3 million and $0.5 $0.4 million as of December 31, 2022 December 31, 2023, and 2021, 2022, respectively.

The 2021 Revolving Credit Facility also requires a quarterly commitment fee based on the Company's consolidated first lien net leverage ratio. As of December 31, 2022 December 31, 2023, the applicable rate was 0.5%, which was applied against the $50.0 million unused revolving credit facility balance.





**Future Principal Payments**

Future principal payments of long-term debt as of December 31, 2022 December 31, 2023, were as follows (in thousands):

| Years ending December 31, | Years ending December 31, | | |
|---|---|---|---|
| 2023 | | $ | 4,350 |
| 2024 | | | |
| 2024 | | | |
| 2024 | 2024 | | 4,350 |
| 2025 | 2025 | | 4,350 |
| 2026 | 2026 | | 4,350 |
| 2027 | 2027 | | 4,350 |
| Thereafter | | | 409,988 |
| 2028 | | | |
| Total | Total | $ | 431,738 |
| Total | | | |
| Total | | | |

**Note 8 7 – Stockholders' Equity**



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Prior to the Corporate Conversion, the Company operated subject to the terms and conditions of the amended and restated Project Angel Parent, LLC Limited Liability Company Agreement (the “Members’ Agreement”) dated May 31, 2018. The membership interests were represented by two classes: Class A Units and Class B Units. Under the Members’ Agreement, there was an unlimited number of Class A Units and Class B Units that could be issued. The Company’s board of directors had the sole authority and right to manage the business and affairs of the Company and to make all decisions and take all actions for the Company, except for certain exceptions defined within the Members’ Agreement.

**Class A Units**

***Voting Rights***—Class A Units did not have voting, approval, or consent rights under the Members’ Agreement.

***Conversion Rights***—Class A Units did not have any conversion rights into common units.

***Preferred Return***—The Class A preferred unitholders were entitled to a cumulative preferred return at a rate of 9% per annum (“Preferred Return”), compounding on a quarterly basis, on Unpaid Return (“Unpaid Return” means an amount equal to the excess of the aggregate Class A Preferred Return accrued on such Class A Units for all prior periods, over the aggregate amount of prior distributions made by the Company related to such Preferred Return) plus Unreturned Capital (“Unreturned Capital” means aggregate contributions made in exchange for Class A Units reduced by distributions made by the Company) to such unitholders for all prior quarterly periods.





***Liquidation Preference***—The Class A preferred unitholders were entitled to liquidation preference over Class B Units. The distribution would first be made to the Class A Unpaid Return on such unitholder's outstanding Class A Units until the Class A Unpaid Return was zero, and then to the Class A Unreturned Capital (at $1,000 per unit) with respect to such unitholder's Class A Units held until the Class A Unreturned Capital was zero. Any remaining amounts would be distributed pro rata among holders of Class B Units based on the outstanding Class B Units held at the time of such distribution. Therefore, all Class A unitholders had first priority with regard to any distributions made by the Company to its unitholders, whether the result of a liquidation event (such as a sale or dissolution of the Company) or the result of a distribution elected by the board of directors of the Company. The liquidation preference provisions related to the Class A Units were considered contingent redemption provisions, and the deemed liquidation events were not solely within the control of the Company, such as a sale or change in control of the Company. Accordingly, the Company has presented the Class A Units within the mezzanine portion of the accompanying consolidated balance sheet. However, the Class A Units were not considered currently redeemable because redemption was contingent on the sale of the Company (or similar change of control event), whereas the identification of a market participant willing to purchase the Company for consideration in an amount sufficient to distribute the redemption amount to the holders of the Class A Units was not considered probable. As a result, the



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Company has not recorded the Preferred Return on the Class A Units within the accompanying consolidated statements of preferred units and stockholders' equity / members' deficit.





***Repurchase Rights***—In accordance with the terms and conditions of certain investor unit agreements, co-invest unit agreements, or other incentive unit agreements entered into between the Company and its unitholders, the Class A Units were subject to repurchase at the election of the Company, Thoma Bravo, or another related party upon the unitholder's termination or in connection with a sale of the Company.

The repurchase price for each Class A Unit was the fair market value of such unit as of the date of repurchase; provided, however, that if the unitholder was terminated for cause, the repurchase price would be the lesser of the unitholder's original cost for such unit and the fair market value of such unit.

**Class B Units**

As of December 31, 2020, there were 51,492,805 units of Class B Units issued and outstanding. Class B Units did not have voting, approval, or consent rights under the Members' Agreement. No distribution would be made on Class B Units, unless and until the distributions were made to holders of Class A Units and any remaining amounts to be distributed pro rata among holders of Class B Units based on the Class B Units held as of the time of such distribution. Certain Class B Units, including Carried Equity Units (as defined below) were subject to repurchase by the Company, Thoma Bravo, or another related party upon the unitholder's termination. Refer to Note 98 for further information regarding the Company's repurchase rights on the Class B Units, including the nature and classification of certain Class B Units on the consolidated balance sheets.

**Common Stock and Preferred Stock**

Upon the Corporate Conversion, the Company filed its certificate of incorporation in the State of Delaware on July 27, 2021, whereby the Company's authorized capital stock consists of 650,000,000 shares of capital stock, $0.001 par value per share, of which 600,000,000 shares are designated as common stock and 50,000,000 shares are designated as preferred stock.

Upon the Company's Corporate Conversion, the Company converted each of its outstanding Class A Units into a number of shares of common stock equal to the result of the accrued preferred return price per Class A Unit divided by the conversion price per share of common stock determined by the board of directors of $25.50. The preferred return price for each Class A Unit was equal to the future value of $1,000 at a 9% interest rate compounded quarterly over the time passed since the issuance of such unit. Upon the Company's Corporate Conversion, the outstanding Class A Units converted into an aggregate of 16,607,235 shares of common stock and were reclassified into permanent equity. Subsequent to the Corporate Conversation, there were no Class A Units outstanding. Additionally, all the outstanding Class B Units converted



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into an aggregate of 53,646,668 shares of common stock on a one-for-one basis. There are 63,609 0 of such shares that remain subject to future vesting and are not included in the outstanding shares as of December 31, 2022 December 31, 2023.

As of December 31, 2022, there were 80,644,452 shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding.

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***Common Stock***

*Dividend Rights*

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, and any contractual limitations, such as the Company's credit agreements, the holders of common stock are entitled to receive dividends out of funds then legally available, if any, if the board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that the board of directors may determine.



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*Voting Rights*

The holders of common stock are entitled to one vote per share. The Company's shares of common stock vote as a single class on all matters relating to the election and removal of directors from the board of directors and as provided by law. The Company's stockholders do not have the ability to cumulate votes for the election of directors. Except in respect of matters relating to the election of directors, or as otherwise provided in the Company's charter or required by law, all matters to be voted on by stockholders must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter. In the case of the election of directors, director candidates must be approved by a plurality of the shares present in person or by proxy at the meeting and entitled to vote on the election of directors.

*No Preemptive or Similar Rights*

The Company's common stock is not entitled to preemptive rights and is not subject to conversion, redemption, or sinking fund provisions.

*Right to Receive Liquidation Distributions*



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If the Company becomes subject to a liquidation, dissolution, or winding-up, the assets legally available for distribution to the Company's stockholders would be distributed ratably among the holders of common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

*Fully Paid and Non-Assessable*

All of the outstanding shares of common stock are fully paid and non-assessable.

***Preferred Stock***

Pursuant to the Company's charter, the board of directors has the authority, without further action by the stockholders, to issue from time to time shares of preferred stock in one or more series. The board of directors may designate the rights, preferences, privileges, and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, redemption rights, liquidation preference, sinking fund terms, and the number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on the common stock, diluting the voting power of common stock, impairing the liquidation rights of common stock, or delaying, deterring, or preventing a change in control. Such issuance could have the effect of decreasing the market price of the Company's common stock. Any preferred stock so issued may rank senior to the common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or both. The Company currently has no plans to issue any shares of preferred stock.

**Stock Repurchase Program**

In May 2022, the Company's board of directors authorized a new stock repurchase program to acquire up to $75.0 million of the Company's common stock, with no requirement to purchase any minimum number of shares. The manner, timing, and actual number of shares repurchased under the program will depend on a variety of factors, including price, working capital needs, general business and market conditions, regulatory requirements, and other investment opportunities. Shares may be repurchased through privately negotiated transactions, or open market purchases, including through the use of trading plans





intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934. The repurchase programs may be commenced, suspended, or terminated at any time by the Company at its discretion without prior notice.

The Company retires the repurchased shares, which shall automatically return to the status of authorized but unissued shares of common stock. During the year ended December 31, 2022, the Company The cost of repurchased 237,641 shares, of its common stock at an average price per share of $14.18 for a total purchase price of approximately $3.4 million,



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including commissions, fees, and fees. excise taxes, are recorded as an adjustment to accumulated deficit on the Company's consolidated balance sheets and consolidated statements of preferred units and stockholders' equity / members' deficit.

A summary of repurchased share activity during the years ended December 31, 2023, and 2022 is as follows (in thousands except share data):

| | Year Ended December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Total number of shares repurchased | 3,663,732 | 237,641 |
| Total cost of shares repurchased, including commissions, fees, and excise taxes | $ 61,548 | $ 3,375 |

As of December 31, 2022 December 31, 2023, there was a total of $71.6 $10.5 million remaining for repurchase under the stock repurchase program. Also, see Note 10, "Related Party Transactions," for a description of the Company's privately-negotiated transaction with a stockholder. See Note 16, "Subsequent Events," for additional information on share repurchase activity.

**Note 9 8 – Share-Based Compensation**





**2018 Equity Plan**

On October 23, 2018, the Company's board of managers approved the adoption of the Project Angel Parent, LLC Equity Plan (the "2018 Plan"). The 2018 Plan provided incentives to employees, consultants, directors, managers, or advisers of the Company and its subsidiaries through the sale or grant of the Company's Class A Units, Class B Units, and/or other equity-based awards. Under the 2018 Plan, 4,868 Class A Units and 738,796 Class B Units were issued under co-invest agreements ("Co-Invest Units"), which remained outstanding as of December 31, 2020. No additional Co-Invest Units were granted subsequent to December 31, 2020. Upon the Corporate Conversion and the completion of the Company's IPO, all outstanding Co-Invest Units were converted into shares of common stock.

In addition, under the 2018 Plan, in 2019, the Company issued 746,744 of Class B Units at a price of $0.06 per unit, to employees, directors, and officers of the Company (the "Carried Equity Units"). No additional units were granted during the periods ended December 31, 2021, and 2020. The Carried Equity Units were subject to vesting based on (1) the participant's continued service to the Company over a period of approximately one to four years and/or (2) the Company achieving annual EBITDA targets. As the Carried Equity Units were unvested on the date of issuance, the cash received by the Company from the participant's purchase of the Carried Equity Units is included in accrued expenses liabilities on the



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accompanying consolidated balance sheets and such liability is reduced over time as vesting occurs. The number of units vested during the year ended December 31, 2020, was 1,112,839. The liability balance as of December 31, 2020, related to the unvested Carried Equity Units was $0.2 million. As of December 31, 2020, the unvested Carried Equity Units amounted to 2,700,948 units. None of the Carried Equity Units were cancelled or forfeited during the year ended December 31, 2020. The Carried Equity Units were also subject to repurchase by the Company, Thoma Bravo, or another related party upon the participant's termination. Unvested Carried Equity Units were subject to repurchase at the lower of the participant's original cost for such unit or the fair market value of such unit.

Vested Carried Equity Units were subject to repurchase at the fair market value of such unit; provided, however, that if the participant is terminated for cause, the repurchase price for each vested unit shall be the lesser of the participant's original cost for such unit and the fair market value of such unit.

The Company recognized approximately $0.6 million in share-based compensation expense during the year ended December 31, 2020, for Carried Equity Units related to the excess of fair value per unit on date of issuance over the $0.06 per unit purchase price paid by the participants, which has been recognized as additional compensation expense attributable to the participants.





The effects on the Carried Equity Units resulting from the Corporate Conversion and the completion of the Company's IPO, including the related balances as of December 31, 2021, and activity during the year ended December 31, 2021, are disclosed below in the section titled "Restricted Stock Awards."

**2019 Equity Option Plan**

On May 6, 2019, the Company established the 2019 Equity Option Plan (the "2019 Plan"). The 2019 Plan provides for grants of certain unit options to employees, which allowed option holders to purchase Class B Units in the Company. For time-based service options granted, the options vested over a period of three to four years. The performance-based options vested upon achieving annual EBITDA targets or upon a change of control as defined in the 2019 Plan documents. An option holder must be an employee of the Company at the date of these vesting conditions.

As of December 31, 2020, the maximum aggregate number of Class B Units that could be sold or granted to participants under both the 2018 Plan and the 2019 Plan amounted to 9,450,667.

The effects on the options to purchase Class B Units resulting from the Corporate Conversion and the completion of the Company's IPO are disclosed below in the section titled "Stock Options."

**2021 Stock Option and Incentive Plan**



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**MERIDIANLINK, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS– (CONTINUED)**

The 2021 Stock Option and Incentive Plan (the "2021 Plan") was adopted by the board of directors and approved by the Company's stockholders following the Corporate Conversion and became effective as of July 26, 2021. The 2021 Plan replaced both the 2019 Plan and the 2018 Plan. Outstanding options to purchase Class B Units granted under the 2019 Plan were converted into options to purchase shares of common stock, and all outstanding Carried Equity Units granted under the 2018 Plan were converted into restricted stock awards ("RSAs"), both of which have been granted under the 2021 Plan.

The Company had initially reserved 13,171,588 shares of its common stock for the issuance of awards under the 2021 Plan. The 2021 Plan provides that the number of shares reserved and available for issuance under the 2021 Plan will automatically increase on January 1, 2022 and each January 1 thereafter, by 5% of the outstanding number of shares of common stock on the immediately preceding December 31, or such lesser number of shares as determined by the Company's compensation committee. The number of shares reserved under the 2021 Plan is subject to adjustment in the event of a stock split, stock dividend, or other change in the Company's capitalization.

The 2021 Plan provides flexibility to the Company's compensation committee to use various equity-based incentive awards as compensation tools to motivate the Company's workforce. The incentive awards that may be granted under the 2021 Plan include, but are not limited to, options to purchase common stock, stock appreciation rights, restricted shares of common stock, restricted stock units, and cash bonuses.

***Stock Options***

In connection with the Corporate Conversion, outstanding options to purchase Class B Units granted under the 2019 Plan were converted into options to purchase shares of common stock, which have been granted under the 2021 Plan. The 2021 Plan provides for grants of stock options which allow option holders to purchase shares of common stock in the Company. For time-based service options granted, the options vest over a period of three to four years, subject to the terms of the award agreement. The performance-based options vest upon achieving annual EBITDA targets. An option holder must be an employee of the Company at the date of these vesting conditions. The stock options are generally subject to forfeiture if employment terminates prior to the vesting date. The contractual term of the stock options is 10 years.

In addition, under the 2021 Plan and upon the occurrence of the Company's IPO, the Company granted stock option awards to certain of its directors, officers, and employees totaling 1,498,455 options to purchase common stock at an exercise price equal to the IPO price of $26.00 per share.

A summary of stock option activity during the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 is as follows (in thousands, except options, price per option, and term amounts):



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contract Term | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding – January 1, 2020 | 2,757,696 | $ 6.06 | 9.70 | $ — |

| Number of Options | | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contract Term (Years) | Aggregate Intrinsic Value |
|---|---|---|---|---|---|
| Outstanding – January 1, 2021 | | | | | |
| Granted | Granted | 412,000 | 7.89 | | |
| Exercised | Exercised | — | | | |
| Forfeited | | — | | | |
| Outstanding – December 31, 2020 | | 3,169,696 | $ 6.30 | 8.80 | $38,108 |
| Granted | | 1,584,805 | 25.78 | | |
| Exercised | | | | | |
| Exercised | Exercised | (278,887) | 6.15 | | |
| Forfeited | Forfeited | (218,802) | 19.76 | | |
| Forfeited | | | | | |
| Forfeited | | | | | |
| Outstanding – December 31, 2021 | | | | | |
| Outstanding – December 31, 2021 | | | | | |
| Outstanding – December 31, 2021 | Outstanding – December 31, 2021 | 4,256,812 | $13.05 | 8.44 | $42,429 |



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| | | | | | |
|---|---|---|---|---|---|
| Granted | Granted | 927,364 | 17.09 | | |
| Exercised | Exercised | (33,359) | 6.31 | | |
| Exercised | | | | | |
| Exercised | | | | | |
| Forfeited | | | | | |
| Forfeited | | | | | |
| Forfeited | Forfeited | (411,034) | 20.86 | | |
| Outstanding – December 31, 2022 | Outstanding – December 31, 2022 | 4,739,783 | $13.21 | 7.61 | $19,855 |
| Vested and expected to vest in the future at December 31, 2022 | | 4,739,783 | 13.21 | 7.61 | 19,855 |
| Exercisable at December 31, 2022 | | 2,970,165 | $ 8.83 | 6.91 | $19,301 |
| Outstanding – December 31, 2022 | | | | | |
| Outstanding – December 31, 2022 | | | | | |
| Granted | | | | | |
| Exercised | | | | | |
| Exercised | | | | | |
| Exercised | | | | | |
| Forfeited | | | | | |
| Forfeited | | | | | |
| Forfeited | | | | | |
| Outstanding – December 31, 2023 | | | | | |
| Outstanding – December 31, 2023 | | | | | |
| Outstanding – December 31, 2023 | | | | | |
| Vested and expected to vest in the future at December 31, 2023 | | | | | |



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| Exercisable at December 31, 2023 |
|---|

The total fair value of options that vested during the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and 2020 was $5.9 million, $7.6 million, $12.4 million, and $1.9 $12.4 million, respectively. The total intrinsic value of options exercised during the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and 2020 was $3.3 million, $0.4 million, and $5.3 million, and none, respectively. The fair value of all time-based service options and performance-based options granted was estimated using a Black-Scholes option pricing model with the following assumptions:

*Volatility* – Prior to Q2 2022, the computation of expected volatility was based on a calculation using the historical volatility of a group of publicly traded peer companies. In evaluating the similarity of peer companies, the Company considered factors such as industry, stage of life cycle, size, and financial leverage. Beginning in Q2 2022, expected volatility is based on historical volatility data of our stock.

*Risk-Free Interest Rate* – The risk-free interest rates are based on U.S. Treasury yields in effect at the grant date for notes over the expected option term.

*Expected Term* – The estimate of the expected term of options granted was determined by utilizing a weighted-average approach, considering the use of the “simplified method” (where the expected term is presumed to be equal to the vesting period plus the midpoint of the remaining contractual term). The Company utilizes this method as it does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

*Dividend Yield* – The expected dividend yield assumption of zero is based on the Company’s current expectations about its anticipated dividend policy over the expected option term. Over the course of the Company’s history, it has not declared or paid any dividends to stockholders/unitholders.

The following assumptions were used by the Company to record compensation expense for performance-based and time-based options granted during the years ended December 31, 2022, 2021, and 2020 2021. No options were granted during the year ended December 31, 2023 (dollars in thousands, except per option amounts):







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| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Aggregate grant date fair value of options granted | $7,989 | $23,111 | $1,063 |
| Assumptions for option valuation: | | | |
| Expected volatility | 47.3 – 62.0% | 62 % | 61.0 – 66.0% |
| Expected dividend yield | — % | — % | — % |
| Expected risk-free interest rate | 1.7 – 3.4% | 0.2 – 0.9% | 0.2 – 0.8% |
| Expected term of options | 6 years | 3 – 6 years | 3 – 6 years |
| Maximum contractual term | 10 years | 10 years | 10 years |
| Weighted average grant date fair value per option | $ 8.61 | $ 14.58 | $ 5.16 |

| | Year Ended December 31, | |
|---|---|---|
| | 2022 | 2021 |
| Expected volatility | 47.3 - 62.0% | 62% |
| Expected dividend yield | — % | — % |
| Expected risk-free interest rate | 1.7 – 3.4% | 0.2 – 0.9% |
| Expected term of options | 6 years | 3 – 6 years |
| Maximum contractual term | 10 years | 10 years |



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The Company recognized approximately $5.3 million, $6.7 million, $14.5 million, and $2.3 $14.5 million in share-based compensation expense related to time-based and performance-based stock options for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively. Included in the amounts of share-based compensation for the year ended December 31, 2021, is the acceleration of share-based compensation expense in the amount of $10.3 million related to 500,000 options to purchase common stock which became fully vested upon the completion of the Company's IPO. During the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, performance-based options were probable of vesting and, therefore, were included as part of share-based compensation expense.

As of December 31, 2022 December 31, 2023, there was approximately $17.1 million $8.4 million of unrecognized share-based compensation expense related to stock options, which is expected to be recognized over a weighted-average period of approximately 2.76 1.85 years.

***Restricted Stock Awards***

In connection with the Corporate Conversion, all outstanding Carried Equity Units granted under the 2018 Plan were converted into RSAs, which have been granted under the 2021 Plan. The RSAs are subject to vesting based on (1) the participant's continued service to the Company over a period of approximately one to four years and/or (2) the Company achieving annual EBITDA targets. As the RSAs are unvested on the date of issuance, the cash received by the Company from the participant's purchase of the RSAs is included in accrued expenses liabilities on the accompanying consolidated balance sheets and such liability is reduced over time as vesting occurs.

The number of RSAs vested during the years ended December 31, 2022 December 31, 2023, 2022, and 2021 was 63,055, 599,599, and 1,434,506 respectively. The liability balance as of December 31, 2022 December 31, 2023, and 2021, 2022 related to the unvested RSAs was $0.00 million and $0.05 $0.00 million, respectively. As of December 31, 2022 December 31, 2023, and 2021, 2022, the number of unvested RSAs amounted to 63,609 0 and 691,270, 63,609, respectively. There were a total of 554, 27,146, and 131,251 RSAs cancelled or forfeited during years ended December 31, 2022 December 31, 2023, 2022, and 2021, respectively.

The Company recognized approximately $0.3 million $0.1 million, $11.5 $0.3 million, and $0.6 $11.5 million in share-based compensation expense related to RSAs for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively. Included in the amounts of share-based compensation for the year ended December 31, 2021, is the acceleration of share-based compensation expense in the amount of $11.1 million related to 426,657 Carried Equity Units which became fully vested upon the completion of the Company's IPO. Share-based compensation expense related to the excess of fair value per unit on date of issuance over the $0.06 per share purchase price paid by the participants, has been recognized as additional compensation expense attributable to the participants.

***Restricted Stock Units***

The 2021 Plan provides for grants of restricted stock units ("RSUs") whereby each RSU shall relate to one share of common stock. The RSUs are subject to time-based vesting, generally over a period of one to four years, as holders provide services to the Company. The RSUs are generally subject to forfeiture if employment terminates prior to the vesting date. The cost of share-based compensation for RSUs is measured based on the closing fair market value of the Company's common stock at the date of grant. Share-based compensation is recognized ratably over the period during which the vesting restrictions lapse.



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**MERIDIANLINK, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Under the 2021 Plan and upon the occurrence of the Company's IPO, the Company granted RSUs to certain of its directors, officers, and employees totaling 1,068,654 RSUs based on the IPO price of $26.00 per share.

A summary of RSU activity during the years ended December 31, 2022 December 31, 2023, and 2022, and 2021 is as follows:

| | Number of RSUs | Weighted Average Grant Date Fair Value |
|---|---|---|
| Non-vested – January 1, 2021 | — | $ — |
| Granted | 1,184,863 | 25.72 |
| Vested | (24,971) | 22.82 |
| Forfeited | (86,363) | 26.00 |
| Non-vested – December 31, 2021 | 1,073,529 | $ 25.76 |
| Granted | 2,827,328 | 17.91 |
| Vested | (398,407) | 25.79 |
| Forfeited | (390,619) | 20.66 |
| Non-vested – December 31, 2022 | 3,111,831 | $ 19.27 |
| Granted | | |
| Vested | | |
| Forfeited | | |

| Number of RSUs | | Number of RSUs | Weighted Average Grant Date Fair Value |
|---|---|---|---|



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Non-vested – December 31, 2023

As of December 31, 2022 December 31, 2023, 3,111,831 4,919,771 RSUs are expected to vest. The Company recognized approximately $24.8 million, $15.4 million, and $4.7 million $4.7 million in share-based compensation expense related to RSUs for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, respectively.

As of December 31, 2022 December 31, 2023, there was approximately $50.6 million $70.9 million of unrecognized share-based compensation expense related to RSUs, which is expected to be recognized over a weighted-average period of approximately 3.0 2.9 years.

***Employee Stock Purchase Plan***

The 2021 Employee Stock Purchase Plan (the "2021 ESPP"), was adopted by the board of directors and approved by the Company's stockholders following the Corporate Conversion and became effective as of July 26, 2021.

The 2021 ESPP initially reserves and authorizes the issuance of up to a total of 810,345 shares of common stock to participating employees. The 2021 ESPP provides that the number of shares reserved and available for issuance will automatically increase on January 1, 2022, and each January 1 thereafter through January 1, 2031, by the least of (i) 900,000 shares of common stock, (ii) 1% of the outstanding number of shares of common stock on the immediately preceding December 31 or (iii) such lesser number of shares of common stock as determined by the administrator of the 2021 ESPP. The number of shares reserved under the 2021 ESPP will be subject to adjustment in the event of a stock split, stock dividend or other change in the Company's capitalization.

All employees will be eligible to participate in the 2021 ESPP. However, any employee who owns 5% or more of the total combined voting power or value of all classes of stock will not be eligible to purchase shares under the 2021 ESPP.

The Company may make one or more offerings each year to its employees to purchase shares under the 2021 ESPP. Offerings will usually begin on each May 1 and November 1 and will continue for six-month periods, referred to as offering periods. Each eligible employee will be able to elect to participate in any offering by submitting an enrollment form at least 15 business days before the relevant offering date. An employee's rights under the 2021 ESPP will terminate upon voluntary withdrawal from the plan or when the employee ceases employment with us for any reason.





As of December 31, 2022 December 31, 2023, the Company has issued 127,700 131,424 shares of common stock under the 2021 ESPP. As of December 31, 2022 December 31, 2023, there was approximately $0.2 million $0.3 million of



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unrecognized share-based compensation related to the ESPP that is expected to be recognized over the remaining term of the current offering period. The Company recognized $0.7 million, $0.7 million, and $0.1 million $0.1 million of share-based compensation expense related to the ESPP for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, respectively.



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***Share-Based Compensation***

Share-based compensation for share-based awards granted to participants has been recorded in the consolidated statements of operations for the years ended December 31, 2022 December 31, 2023, 2022, and 2021 as follows (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Year Ended December 31, | | | |
| Year Ended December 31, | | | |
| Year Ended December 31, | | | |
| 2023 | | | |
| 2023 | 2022 | 2021 | |
| Cost of revenues | Cost of revenues | $ 4,630 | $ 6,478 | $ 180 |
| General and administrative | General and administrative | 9,499 | 14,558 | 1,952 |
| Research and development (1) | Research and development (1) | 6,472 | 7,453 | 339 |
| Sales and marketing | Sales and marketing | 2,160 | 2,247 | 370 |
| Restructuring related costs (2) | | | | |



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| | | | | |
|---|---|---|---|---|
| Total share-based compensation expense | Total share-based compensation expense | $22,761 | $30,736 | $2,841 |

(1) Net of $0.3 million, $0.1 $0.3 million and $0.0 $0.1 million additions to capitalized software on the Company's consolidated balance sheets for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, and 2020, respectively.

(2) Relates to unvested stock compensation that was forfeited as part of the 2023 Restructuring Plan. See Note 12, "Restructuring Activities."

**Note 10 9 – Income Taxes**

The provision (benefit) from for income taxes for the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and 2020 consist consists of the following (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Year Ended December 31, | | | |
| 2023 | | | |
| Current: | | | |
| Federal | | | |
| Federal | | | |
| Federal | Federal | $ 385 | $ — | $ — |
| State | State | 1,840 | 215 | 237 |
| Total current | Total current | 2,225 | 215 | 237 |
| Deferred: | Deferred: | | | |
| Federal | Federal | 1,822 | 3,746 | 1,858 |
| Federal | | | | |
| Federal | | | | |
| State | State | 83 | 1,180 | (303) |
| Total deferred | Total deferred | 1,905 | 4,926 | 1,555 |
| Provision for (benefit from) income taxes | | $4,130 | $5,141 | $1,792 |
| Provision for income taxes | | | | |

| Year Ended December 31, | | |
|---|---|---|
| 2023 | 2022 | 2021 |



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS– (CONTINUED)**

**Effective Income Tax Rate**

The provision for (benefit from) income taxes differs from that computed at the federal statutory corporate income tax rate as follows for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Tax expense (benefit) computed at federal statutory rate | $ 1,139 | $ (1,019) | $ 2,298 |
| State income tax expense (benefit), net of federal benefit | 1,177 | 1,178 | 507 |
| Nondeductible share-based compensation | 803 | 1,478 | — |
| 162m limitation | 1,038 | 4,131 | — |
| Other nondeductible expenses | 348 | 100 | 126 |
| Rate change | 66 | 472 | — |
| R&D credits | (1,550) | (1,462) | (1,149) |
| Tax attribute write-off | 484 | — | — |
| Amended return | 332 | — | — |
| Transaction costs true up | — | 247 | — |
| Return to provision adjustments | 293 | 16 | 10 |
| Provision for (benefit from) income taxes | $ 4,130 | $ 5,141 | $ 1,792 |



**MERIDIANLINK, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS– (CONTINUED)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Tax (benefit) expense computed at federal statutory rate | $ (3,905) | $ 1,139 | $ (1,019) |
| State income tax (benefit) expense, net of federal (benefit) expense | (32) | 1,177 | 1,178 |



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| | | | |
|---|---|---|---|
| Nondeductible share-based compensation | 127 | 803 | 1,478 |
| IRC Section 162(m) limitation | 1,842 | 1,038 | 4,131 |
| Other nondeductible expenses | 94 | 348 | 100 |
| Valuation allowance | 29,405 | — | — |
| Rate change | 55 | 66 | 472 |
| R&D credits | (3,606) | (1,550) | (1,462) |
| Expiration of share-based compensation | 1,037 | — | — |
| Acquisition related U.S. State operating losses | (1,205) | — | — |
| Other return to provision adjustments | 131 | 293 | 16 |
| Tax attribute write-off | — | 484 | — |
| Amended return | — | 332 | — |
| Transaction costs true up | — | — | 247 |
| Provision for income taxes | $ 23,943 | $ 4,130 | $ 5,141 |

**Deferred income taxes at December 31, 2022 Tax Assets and 2021 consist of the following (in thousands):**

| | As of December 31, | |
|---|---|---|
| | 2022 | 2021 |
| Deferred income tax assets: | | |
| Net operating losses | $ 20,425 | $ 18,553 |
| Capitalized research and development | 9,848 | — |
| Credits | 5,600 | 5,310 |
| Reserves and accruals | 2,336 | 1,147 |
| Share-based compensation | 3,420 | 1,788 |
| Interest expense carryover | 2,838 | 3,044 |
| Transaction costs | 2,584 | 2,428 |
| Fixed assets | 633 | — |
| Other | 413 | 209 |
| Total deferred income tax assets | 48,097 | 32,479 |
| Deferred income tax liabilities: | | |
| Fixed assets | — | (689) |
| Capitalized commissions | (1,668) | (1,489) |
| Intangible assets | (31,745) | (25,310) |
| Right of use asset | (559) | — |
| Debt issuance costs | (186) | (704) |
| Total deferred income tax liabilities | (34,158) | (28,192) |



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| | | |
|---|---|---|
| Net deferred income tax asset | $ 13,939 | $ 4,287 |

Net operating loss (“NOL”) and R&D tax credit carryforwards at December 31, 2022 and 2021 consist of the following (in thousands):

| | As of December 31, | |
|---|---|---|
| | 2022 | 2021 |
| NOL carryforwards: | | |
| Federal | $ 86,246 | $ 77,798 |
| State | 35,713 | 35,124 |
| R&D tax credit carryforwards: | | |
| Federal | 4,992 | 4,485 |
| State | 3,625 | 3,284 |

$22.4 million of federal NOL carryforwards generated prior to 2018 will expire from 2035 through 2037 and $33.8 million of state NOL carryforwards generated in 2009 through 2021 will expire from 2032 through 2041. $63.8 million of federal NOL carryforwards generated in 2018 through 2021 have no expiration date and $1.9 million of state NOL carryforwards generated in 2018 through 2021 have no expiration date. The NOL carryforward amounts at December 31, 2022 and 2021 do not include $9.1 million and $9.1 million, respectively, of federal NOLs that are expected to expire prior to utilization due to a Section 382 limitation placed on the acquired NOLs of CRIF and Saylent at acquisition.

A reserve for uncertain tax positions has been recorded against the federal and state R&D credits of $1.5 million and $0.9 million, respectively, at December 31, 2022 and $1.1 million and $0.8 million, respectively, at December 31, 2021. The federal research credits begin to expire in 2034 and $3.6 million of state research credits have no expiration period.

**Valuation Allowance Liabilities**

Deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates





applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.



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The Company assesses whether a valuation allowance should be recorded against its deferred tax assets based on the consideration of all available evidence, both positive and negative, using a “more likely than not” realization standard. In making such a determination, all available positive and negative evidence are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. The In making such judgements, significant weight is given to evidence that can be objectively verified. After analyzing all available evidence, including the past and current trend in volatility in the Company’s business operating environment which has impacted the Company’s current ability and expectation to generate sufficient future taxable income to fully realize its deferred tax assets, the Company has determined that it is more likely that it would not be able to utilize all of the deferred tax assets, and therefore, has established a partial valuation allowance on the deferred tax assets as of December 31, 2023. Accordingly, the Company has recorded a valuation allowance of approximately $29.4 million at December 31, 2023, to reduce its deferred tax assets.

There was no such valuation allowance recorded as of December 31, 2022, and 2021, respectively, as in each of these periods after the Company considered all positive and negative evidence and based on the weight of such evidence, concluded using a more likely than not realization standard that a valuation allowance is not needed as needed.





Deferred income taxes at December 31, 2023, and 2022 consist of December 31, 2022. the following (in thousands):

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Deferred tax assets: | | |
| Net operating losses | $ 17,489 | $ 20,425 |
| Capitalized research and development | 12,466 | 9,848 |
| Tax credit carryforwards | 8,135 | 5,600 |
| Reserves and accruals | 1,659 | 2,336 |
| Share-based compensation | 3,795 | 3,420 |
| Interest expense carryover | 10,117 | 2,838 |
| Transaction costs | 2,357 | 2,584 |
| Property and equipment | 243 | 633 |
| Other | 260 | 413 |
| Total deferred tax assets | 56,521 | 48,097 |
| Valuation allowance | (29,405) | — |



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| | | |
|---|---|---|
| Total deferred tax assets, net | 27,116 | 48,097 |
| Deferred tax liabilities: | | |
| Contract cost assets | (2,059) | (1,668) |
| Goodwill and intangible assets | (35,470) | (31,745) |
| Right of use assets, net | (293) | (559) |
| Debt issuance costs | (117) | (186) |
| Total deferred tax liabilities | (37,939) | (34,158) |
| Net deferred tax (liabilities) assets | $ (10,823) | $ 13,939 |

Net operating loss (“NOL”) and research & development tax credit (“R&D”) carryforwards at December 31, 2023, and 2022 consist of the following (in thousands):

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| NOL carryforwards: | | |
| Federal | $ 67,391 | $ 86,246 |
| State | 54,078 | 35,713 |
| R&D tax credit carryforwards: | | |
| Federal | 7,872 | 4,992 |
| State | 4,490 | 3,625 |

The Company has federal and state net operating loss carryforwards of $67.4 million and $54.1 million, respectively, at December 31, 2023, to reduce future cash payments for income taxes. The NOL carryforward amounts at December 31, 2023, and 2022 do not include $13.3 million and $9.1 million, respectively, of federal NOLs that are expected to expire prior to utilization due to a Section 382 limitation placed on the acquired NOLs of CRIF, Saylent and StreetShares at acquisition.

Of the $67.4 million federal NOL carryforwards, $14.9 million will expire from 2034 through 2037, and $52.5 million will carry over indefinitely. Of the $54.1 million state NOL carryforwards, $39.3 million will expire from 2025 through 2043, and $14.8 million will carry over indefinitely.





**Uncertain Tax Positions**



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ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Topic also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Topic requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The amount recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. In addition, the Topic permits an entity to recognize interest and penalties related to tax uncertainties either as income tax expense or operating expenses. The Company has chosen to recognize interest and penalties related to tax uncertainties as income tax expense.

The Company has recorded an uncertain tax position with respect to its R&D credits. tax credit carryforwards. There are no material penalties or interest recorded on the Federal, California, and Virginia R&D credits tax credit carryforwards as the some reserved credits have not been utilized on a tax return, but there are sufficient carryforwards to offset anything that would potentially be disallowed, and therefore the uncertain tax position is recorded as a reduction of the deferred tax asset related to these credits. The Company does not anticipate any material changes to unrecognized tax benefit within the next twelve months that will affect the effective tax rate.

The Company has gross federal and state R&D tax credit carryforwards, before an uncertain tax position reserve, of $7.9 million and $4.5 million, respectively, as of December 31, 2023. A reserve for uncertain tax positions has been recorded against the federal and state credits of $2.4 million and $1.2 million, respectively, at December 31, 2023, and $1.5 million and $0.9 million, respectively, at December 31, 2022. The R&D tax credit carryforwards are net of a Section 382 limitation of $0.2 million placed on acquired R&D tax credits of CRIF at acquisition. The federal and state R&D tax credit carryforwards begin to expire in 2034 and 2038, respectively, and $4.3 million of state research credits have no expiration period.

The reconciliation of unrecognized tax benefits at the beginning and end of the year is as follows (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Beginning balance | $(1,942) | $(1,072) | $ (699) |
| Gross decrease (increase) related to prior year positions | 86 | (386) | — |
| Gross increase related to current year positions | (595) | (484) | (373) |

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Beginning balance | | | |
| Gross decrease (increase) related to prior year positions | | | |
| Gross increase related to current year positions | | | |



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| | | | | |
|---|---|---|---|---|
| Ending balance | Ending balance | $(2,451) | $(1,942) | $(1,072) |

If recognized, Included in the entire balance of unrecognized tax benefits at as of December 31, 2023, December 31, 2022, 2021, and 2020, December 31, 2021 are $0.0 million, $2.5 million, and $1.9 million, respectively of tax benefits that, if recognized, would affect the effective tax rate on income from continuing operations. rate. Also included in the balance of unrecognized tax benefits as of December 31, 2023, December 31, 2022, and December 31, 2021 are $3.5 million, $0.0 million, and $0.0 million, respectively of tax benefits that, if recognized, would be offset against the valuation allowance.

The Company is subject to U.S. Federal income tax as well as to income tax of multiple state jurisdictions. The Company is subject to examination for tax years back to 2019 2020 and 2018 2019 for federal and state purposes, respectively, and certain of its NOL's NOL carryforwards dating back to 2009 are subject to adjustment by the taxing authorities if claimed on as a future portion of these have been utilized in tax tiling returns for which the statute remain open to examination.

period ended December 31, 2022 and December 31, 2021. As of December 31, 2022 December 31, 2023, the Company had no outstanding income tax audits.

**Note 11 10 – Related Party Transactions**

On May 31, 2018, In the course of its business operations, related party transactions are conducted with parties with which the Company entered into an Advisory Services Agreement with Thoma Bravo, has a private equity firm, that owns close association.

The following table presents the majority impact of the Company through private equity funds managed by the firm. During the years ended December 31, 2022, 2021 and 2020, the Company recorded $0.0 million, $1.2 million and $2.1 million, respectively, in general and administrative expenses related party transactions on the accompanying Company's consolidated statements of operations for management and advisory fees. The Advisory Services Agreement was terminated upon completion of the IPO. (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Cost of revenues | $ 1,558 | $ 2,128 | $ 2,074 |
| General and administrative | 730 | 824 | 1,680 |
| Research and development | 272 | 273 | 328 |
| Sales and marketing | 1 | 92 | 113 |
| Total related party expenses | $ 2,561 | $ 3,317 | $ 4,195 |



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During The following table presents the impact of related party transactions on the Company's consolidated balance sheets (in thousands):

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Prepaid assets | $ 38 | $ 37 |
| Total current assets | $ 38 | $ 37 |
| Accounts payable | $ 110 | $ 30 |
| Accrued liabilities | 243 | 456 |
| Total current liabilities | $ 353 | $ 486 |

Under the terms of these related-party transactions, all amounts incurred and recognized are expected to be settled within one year from the date of the accompanying consolidated balance sheets.

Additionally, during the year ended December 31, 2023, the Company engaged contractors that were related parties to perform development work for its product offerings. Amounts capitalized for internally developed software related to work performed by these related parties was $0.1 million during the year ended December 31, 2023, and none during both the years ended December 31, 2022, 2021, and 2020, the 2021. The Company recorded $1.7 $0.0 million $1.6 million, and $1.1 million respectively, in cost amortization of revenues for third related party expenses with a Thoma Bravo affiliated company. internally developed software during the year ended December 31, 2023. As of December 31, 2022 December 31, 2023, the net book value of related party internally developed software was $0.1 million.

On September 8, 2023, the Company had prepaid expenses of $0.0 million, accounts payable of $0.0 million, and accrued liabilities of $0.3 million entered into a privately-negotiated transaction with a Thoma Bravo affiliated company. As stockholder to repurchase 1,525,027 shares of December 31, 2021 the Company's common stock at a price per share of $16.43, for an aggregate purchase price of approximately $25 million. This represented a 5% discount on the Company's 7-day moving average price on September 7, 2023. The repurchase settled on September 11, 2023, and was completed pursuant to the Company had prepaid expenses of $0.1 million, accounts payable of $0.2 million, and accrued liabilities of $0.2 million with a Thoma Bravo affiliated company.

The Company had one leased property from a related party that expired Company's previously announced stock repurchase program authorized in December May 2022. Rental expense for this property totaled $0.7 million, $0.9 million, and $0.9 million for the years ended December 31, 2022, 2021, and 2020, respectively.

**Note 12 11 – Net (Loss) Income (Loss) Per Share**

The following table presents the calculation of basic and diluted net (loss) income (loss) per share (in thousands, except share and per share data):

| | Year Ended December 31, |
|---|---|



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| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Basic and diluted net income (loss) per share | | | |
| Numerator: | | | |
| Net income (loss) attributable to common stockholders | $ 1,294 | $ (30,940) | $ (25,260) |
| Denominator: | | | |
| Weighted average common stock outstanding: | | | |
| Basic | 80,454,356 | 63,813,770 | 51,153,041 |
| Diluted | 82,403,679 | 63,813,770 | 51,153,041 |
| Net income (loss) per share: | | | |
| Basic | $ 0.02 | $ (0.48) | $ (0.49) |
| Diluted | 0.02 | (0.48) | $ (0.49) |

A reconciliation of the denominator used in the calculation of basic and diluted earnings per share for the year ended December 31, 2022 is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Basic and diluted net (loss) income per share | | | |
| Numerator: | | | |
| Net (loss) income attributable to common stockholders | $ (42,539) | $ 1,294 | $ (30,940) |
| Denominator: | | | |
| Weighted average common stock outstanding: | | | |
| Basic | 80,349,895 | 80,454,356 | 63,813,770 |
| Diluted | 80,349,895 | 82,403,679 | 63,813,770 |
| Net (loss) income per share: | | | |
| Basic | $ (0.53) | $ 0.02 | $ (0.48) |
| Diluted | $ (0.53) | $ 0.02 | $ (0.48) |







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| | Year Ended December 31, 2022 |
|---|---|
| Weighted average shares outstanding for basic earnings per share | 80,454,356 |
| Effect of dilutive securities: | |
| Options outstanding, unexercised | 1,660,412 |
| RSAs unvested | 188,241 |
| RSUs unvested | 94,332 |
| Purchase rights committed under the ESPP | 6,338 |
| Weighted average shares outstanding for diluted earnings per share | 82,403,679 |

A reconciliation of the denominator used in the calculation of basic and diluted earnings per share is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Weighted average shares outstanding for basic (loss) income per share | 80,349,895 | 80,454,356 | 63,813,770 |
| Effect of dilutive securities: | | | |
| Options outstanding, unexercised | — | 1,660,412 | — |
| RSAs unvested | — | 188,241 | — |
| RSUs unvested | — | 94,332 | — |
| Purchase rights committed under the ESPP | — | 6,338 | — |
| Weighted average shares outstanding for diluted (loss) income per share | 80,349,895 | 82,403,679 | 63,813,770 |

The following outstanding potentially dilutive securities were excluded from the calculation of diluted net (loss) income (loss) per share attributable to common stockholders because their impact would have been anti-dilutive for the periods presented:

| | As of December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Options to purchase common stock outstanding, unexercised | 1,909,223 | 4,256,812 | 3,169,696 |

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Options to purchase common stock outstanding, unexercised | | | |



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| | | | | |
|---|---|---|---|---|
| Restricted stock awards, unvested | Restricted stock awards, unvested | — | 691,270 | 2,700,948 |
| Restricted stock units, unvested | Restricted stock units, unvested | 743,602 | 1,073,529 | — |
| Purchase rights committed under the ESPP | Purchase rights committed under the ESPP | 6,338 | — | — |
| Total | Total | 2,659,163 | 6,021,611 | 5,870,644 |

**Note 12 – Restructuring Activities**

**Restructuring Plan**

In February 2023, the Company's board of directors authorized a restructuring plan (the "Restructuring Plan") that was designed to consolidate the Company's functions and investments to prioritize customer-centric areas of the Company's organization, align teams with the Company's highest business priorities, and improve efficiencies. The Restructuring Plan included a reduction of the Company's then-current workforce by approximately 11%. Restructuring charges of $3.6 million, consisting primarily of cash expenditures and relating to severance payments, employee, benefits, and employee transition costs, net of $0.7 million previously vested share-based compensation, were recognized during the year ended December 31, 2023. These costs are reflected in restructuring-related costs on the Company's consolidated statements of operations.

A rollforward of the Company's restructuring reserve balance as of December 31, 2023, is as follows (in thousands):

| | As of December 31, 2023 |
|---|---|
| Balance as of January 1, 2023 | $ — |
| Restructuring related costs | 3,621 |
| Payments | (3,621) |
| Balance as of December 31, 2023 | $ — |

Additionally, refer to Note 16 "Subsequent Events" for additional information.



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**Note 13 – Business Combinations**

**Acquisition of OpenClose**

On November 4, 2022, the Company acquired all of the outstanding stock of Beanstalk Networks L.L.C. LLC, doing business as OpenClose (“OpenClose”), for cash consideration of $63.1 $62.8 million. In connection with the acquisition, the Company incurred $1.9 million in acquisition related costs. The acquisition was funded by the Company’s available cash. OpenClose is based out of West Palm Beach, Florida, and provides mortgage lending technology, with a particular focus on supporting depository institutions. The acquisition is expected to improve the company’s existing lending platform and improve our offerings for depository institutions. The acquisition is accounted for using the acquisition method of accounting whereby the acquired assets and liabilities will be recorded at their respective fair values and added to those of the Company, including an amount for goodwill representing the difference between the acquisition consideration and the fair value of the identifiable net assets.

Results of operations of OpenClose have been included in the operations of the Company beginning with the closing date of the acquisition. Revenue and net income attributable to OpenClose was were $2.5 million and $0.2 million respectively, for the period year ended December 31, 2022. , respectively.

The table below summarizes the allocation of the purchase price of OpenClose based on the estimated fair value of the assets acquired and the liabilities assumed (in thousands):







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| | | |
|---|---|---|
| Assets acquired: | | |
| Cash and cash equivalents | $ | 1,261 |
| Accounts receivable | | 830 |
| Prepaid expenses and other current assets | | 61 |
| Goodwill | | 37,038 37,312 |
| Intangible assets | | 29,600 |
| Total assets acquired | | 68,790 69,064 |
| Liabilities assumed: | | |
| Accounts payable | | 133 |
| Accrued compensation and benefits | | 2,623 |
| Accrued expenses liabilities | | 2,341 2,941 |
| Deferred revenue | | 603 |
| Total liabilities assumed | | 5,700 6,300 |
| Fair value of assets acquired and liabilities assumed | $ | 63,090 62,764 |

As of December 31, 2022 During the year ended December 31, 2023, the Company is still finalizing finalized the provisional purchase price allocation related to final working capital adjustments and income tax effects. effects for the acquisition of OpenClose, resulting in changes to the acquisition's opening balance sheet, including an increase to accrued liabilities of $0.6 million, and decrease in cash consideration transferred of $0.3 million with the corresponding net amount of $0.3 million as an increase to goodwill. The goodwill recognized is attributable to an increased customer base and expanded service capabilities. The OpenClose acquisition is treated as an asset purchase for income tax purposes; therefore of the all goodwill recorded $37.0 million is considered deductible for income tax purposes.





The fair value of the separately identifiable finite-lived intangible assets acquired and estimated useful lives are as follows (in thousands, except years):

| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Customer relationships | $ 14,200 | 10.0 |



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| | | |
|---|---|---|
| Developed technology | 9,800 | 10.0 |
| Trademarks | 700 | 5.0 |
| Non-competition agreements | 4,900 | 5.0 |
| Total acquisition-related intangible assets | $ 29,600 | 9.0 |

The fair value estimates for intangible assets include significant assumptions in the prospective financial information, such as revenue growth and discount rates. The fair value of the intangible assets was primarily based on the income approach using various methods such as the relief from royalty, with-or-without, and excess earnings methods.





**Acquisition of StreetShares**

On April 1, 2022, the Company acquired all of the outstanding stock of StreetShares, Inc. (“StreetShares”) for cash consideration of $28.0 million, $30.0 million in escrow for a contingent earnout that expires April 1, 2023, subject to adjustment as defined in the purchase agreement, and $1.6 million in acquisition costs. The $30.0 million is was considered contingent consideration and accounted for separate from the business combination accounting. The acquisition was funded by the Company’s available cash. StreetShares is based out of Reston, VA, and is a financial technology company that provides digital small business lending technology to banks and credit unions. The acquisition is expected to strengthen the Company’s existing lending platform and accelerate the Company’s small business lending capabilities. The acquisition is accounted for using the acquisition method of accounting whereby accounting.

During the acquired assets year ended December 31, 2023, the $30.0 million held in escrow as contingent earnout proceeds was not earned and liabilities are recorded at their respective fair values and added was released in its entirety back to those of the Company. The Company including recognized $30.0 million as an amount for goodwill representing the difference between the acquisition consideration and the fair value of the identifiable net assets. increase to cash on its consolidated balance sheets.

Results of operations of StreetShares have been included in the operations of the Company beginning with the closing date of the acquisition. Revenue and net loss attributable to StreetShares was were $2.9 million and $4.1 million, respectively, for the period year ended December 31, 2022.







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The table below summarizes the allocation of the purchase price of StreetShares based on the estimated fair value of the assets acquired and the liabilities assumed (in thousands):

| | | |
|---|---|---|
| Assets acquired: | | |
| Cash and cash equivalents | $ | 1,580 |
| Restricted cash (1) | | 3,265 |
| Accounts receivable | | 157 |
| Prepaid expenses and other current assets | | 561 |
| Property and equipment | | 142 |
| Right of use assets | | 613 |
| Deferred tax asset assets | | 11,558 10,426 |
| Goodwill | | 6,820 7,952 |
| Intangible assets | | 12,400 |
| Other assets | | 83 |
| Total assets acquired | | 37,179 |
| Liabilities assumed: | | |
| Accounts payable | | 368 |
| Accrued compensation and benefits | | 3,585 |
| Accrued expenses liabilities | | 738 |
| Contingent earnout | | 162 |
| Notes payable to Regulation A+ investors (1) | | 3,265 |
| Deferred revenue | | 854 |
| Other long-term liabilities | | 225 |
| Total liabilities assumed | | 9,197 |
| Fair value of assets acquired and liabilities assumed | $ | 27,982 |

(1) Prior to the acquisition, StreetShares was subject to Regulation A+ of the Securities and Exchange Commission and had offered StreetShares notes to investors. The notes were scheduled to mature during various dates through 2023. Subsequent to the acquisition, during April 2022, the Company used the $3.3 million restricted cash balance to repay the Regulation A+ payable in full.





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During the year ended December 31, 2022, the Company completed measurement period adjustments related to the fair value of identifiable intangible assets and final working capital adjustment, resulting in a reduction to the fair values of customer relationships and developed technology by $1.9 million and $1.5 million, respectively, an increase in deferred tax assets of $1.1 million, and an increase in goodwill of $2.3 million. The final working capital adjustment amounted to approximately $0.1 million being paid by the Company to the sellers of StreetShares. The working capital adjustment was settled in September 2022 and resulted in a corresponding adjustment to prepaid expenses and other current assets.

As of December 31, 2022 During the year ended December 31, 2023, the Company is still finalizing finalized the provisional purchase price allocation related to income tax effects. effects for the acquisition of StreetShares, resulting in a reduction to the deferred tax asset and corresponding increase to goodwill in the amount of $1.1 million. The goodwill recognized is attributable to the Company's expected acceleration of its small business lending service capabilities. The StreetShares acquisition is treated as a stock purchase for income tax purposes; therefore, of the goodwill recorded, none is considered deductible for income tax purposes.



MERIDIANLINK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS– (CONTINUED)

The fair value of the separately identifiable finite-lived intangible assets acquired and estimated useful lives are as follows (in thousands, except years):

| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Customer relationships | $ 500 | 5.0 |
| Developed technology | 11,800 | 10.0 |
| Trademarks | 100 | 2.0 |
| Total acquisition-related intangible assets | $ 12,400 | 9.7 |

The fair value estimates for intangible assets include significant assumptions in the prospective financial information, such as revenue growth and discount rates. The fair value of the intangible assets was primarily based on the income approach



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using various methods such as the relief from royalty, with-or-without, and excess earnings methods. In Q4 2022, the Company updated its forecast assumptions used in the StreetShares purchase price allocation, resulting in a reduction to the estimated operating income projected in future years. The Company considered this change in forecast assumptions to be a possible indicator of impairment and therefore tested the StreetShares intangible asset group for recoverability by comparing the remaining undiscounted cash flows to the carrying value of the intangible assets. Based on the outcome of that test, the Company determined the remaining undiscounted cash flows were significantly higher than the carrying value of the intangible asset group and no impairment was necessary. The Company will continue to monitor changes in forecast assumptions, for similar impairment triggers in the future.

**Contingent Earnout Liability Restructuring Plan**

In February 2023, the Company's board of directors authorized a restructuring plan (the "Restructuring Plan") that was designed to consolidate the Company's functions and investments to prioritize customer-centric areas of the Company's organization, align teams with the Company's highest business priorities, and improve efficiencies. The purchase price for StreetShares includes Restructuring Plan included a potential earnout that will be measured over 12 months from April 2, 2022, through April 1, 2023, based on performance factors outlined reduction of the Company's then-current workforce by approximately 11%. Restructuring charges of $3.6 million, consisting primarily of cash expenditures and relating to severance payments, employee, benefits, and employee transition costs, net of $0.7 million previously vested share-based compensation, were recognized during the year ended December 31, 2023. These costs are reflected in the acquisition agreement.

The contingent earnout liability is recorded at estimated fair value each reporting period using a Monte Carlo simulation based on the forecasted operating results over the earnout period, estimates for market volatility, discount rates, and the earnout formula specified in the acquisition agreement. As the fair value uses significant unobservable inputs, it is considered a Level 3 fair value measurement.

The contingent earnout liability is recorded in accrued liabilities restructuring-related costs on the Company's consolidated balance sheets. Changes to the fair value are recorded as an adjustment to general and administrative expenses on the consolidated statements of operations.

A rollforward of the Company's restructuring reserve balance as of December 31, 2023, is as follows (in thousands):

| | As of December 31, 2023 |
|---|---|
| Balance as of January 1, 2023 | $ — |
| Restructuring related costs | 3,621 |
| Payments | (3,621) |
| Balance as of December 31, 2023 | $ — |

Additionally, refer to Note 16 "Subsequent Events" for additional information.





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**operations. The fair value of the contingent earnout liability was $0.0 million as of December 31, 2022 and $0.2 million as of April 1, 2022.**

## Note 13 – Business Combinations

**Acquisition of Saylent OpenClose**

On April 1, 2021 November 4, 2022, the Company acquired all of the outstanding stock of Saylent Technologies, Inc. Beanstalk Networks LLC, doing business as OpenClose ("Saylent" OpenClose"), for cash consideration of $38.5 million, subject to adjustment as defined in the purchase agreement. $62.8 million. In connection with the acquisition, the Company incurred $0.8 million $1.9 million in acquisition related costs. Such costs have been included in acquisition related costs in the accompanying consolidated statements of operations. The acquisition was funded by the Company's available cash. Saylent was OpenClose is based out of Boston, MA West Palm Beach, Florida, and is provides mortgage lending technology, with a data analytics and marketing solution that offers insights to financial institutions that help drive account and credit and debit card usage and allows the Company to accelerate market availability of already planned product investments. particular focus on supporting depository institutions. The acquisition was is expected to improve the company's existing lending platform and improve our offerings for depository institutions. The acquisition is accounted for using the acquisition method of accounting whereby the acquired assets and liabilities of Saylent were will be recorded at their respective fair values and added to those of the Company, including an amount for goodwill.goodwill representing the difference between the acquisition consideration and the fair value of the identifiable net assets.

Results of operations of Saylent OpenClose have been included in the operations of the Company beginning with the closing date of the acquisition. The acquisition was immaterial Revenue and net income attributable to OpenClose were $2.5 million and $0.2 million for the Company's operating results as a whole. year ended December 31, 2022, respectively.

The table below summarizes the allocation of the purchase price of Saylent OpenClose based on the estimated fair value of the assets acquired and the liabilities assumed (in thousands). :



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| | | |
|---|---|---|
| Assets acquired: | | |
| Cash and cash equivalents | $ | 1,676 1,261 |
| Restricted cash | | 879 |
| Accounts receivable net | | 4,174 830 |
| Prepaid expenses and other current assets | | 121 61 |
| Property and equipment, net | | 371 |
| Goodwill | | 22,036 37,312 |
| Intangible assets | | 13,700 29,600 |
| Total assets acquired | | 42,957 69,064 |
| Liabilities assumed: | | |
| Accounts payable | | 210 133 |
| Accrued compensation and benefits | | 2,191 2,623 |
| Accrued expenses liabilities | | 754 2,941 |
| Deferred tax liability revenue | | 521 603 |
| Notes payable (PPP Loan) | | 775 |
| Total liabilities assumed | | 4,451 6,300 |
| Fair value of assets acquired and liabilities assumed | $ | 38,506 62,764 |

During the year ended December 31, 2022 December 31, 2023, the Company finalized the provisional purchase price allocation for related to final working capital adjustments and income tax effects for the acquisition of OpenClose, resulting in a changes to the acquisition's opening balance sheet, including an increase to accrued liabilities of $0.6 million, and decrease in cash consideration transferred of $0.2 $0.3 million to goodwill and with the corresponding deferred tax liability.

net amount of $0.3 million as an increase to goodwill. The goodwill recognized is attributable to an increased customer base and expanded service capabilities. The Saylent OpenClose acquisition is treated as a stock an asset purchase for income tax purposes; therefore of the all goodwill recorded none is considered deductible for income tax purposes.





The fair value of the separately identifiable finite-lived intangible assets acquired and estimated useful lives are as follows (in thousands, except years):



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| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Customer relationships | $ 5,800 | 15.0 |
| Developed technology | 5,800 | 8.7 |
| Trademarks | 1,500 | 6.3 |
| Non-competition agreements | 600 | 2.0 |
| Total acquisition-related intangible assets | $13,700 | 10.8 |

| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Customer relationships | $14,200 | 10.0 |
| Developed technology | 9,800 | 10.0 |
| Trademarks | 700 | 5.0 |
| Non-competition agreements | 4,900 | 5.0 |
| Total acquisition-related intangible assets | $29,600 | 9.0 |

The fair value estimates for intangible assets include significant assumptions in the prospective financial information, such as revenue growth customer attrition, and the discount rate. rates. The fair value of the intangible assets was primarily based on the income approach using various methods such as the relief from royalty, with-or-without, and excess earnings methods.

**Acquisition of TazWorks StreetShares**

On December 31, 2020, the Company acquired the majority of the assets of TazWorks, LLC (“TazWorks”). TazWorks provides software and data solutions to CRAs focused on the employment and tenant screening market, a market that is adjacent and complementary to the Company’s solutions for credit focused CRAs. TazWorks was located in Draper, Utah. Acquisition costs, which are expensed as incurred, amounted to $0.8 million for the TazWorks acquisition for the year ended December 31, 2020, and are included in acquisition related costs on the consolidated statements of operations.

The acquisition was funded through a combination of available cash and proceeds from the Company’s 2018 First Lien credit facility as drawn upon during the year ended December 31, 2021. See Note 5, Long-Term Debt. The aggregate consideration paid in connection with the TazWorks acquisition was $89.8 million, consisting of $5.0 million in cash paid at close plus $84.8 million in cash paid in January 2021.

The table below summarizes the allocation of the purchase price based on the estimated fair value of the assets acquired and the liabilities assumed (in thousands). The purchase price paid was in excess of the fair value of the net assets acquired and, as a result, the Company recorded goodwill as a result of the acquisition.



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| | | |
|---|---|---|
| Assets acquired: | | |
| Accounts receivable, net | $ | 1,499 |
| Prepaid expenses and other current assets | | 133 |
| Property and equipment, net | | 73 |
| Goodwill | | 48,006 |
| Intangible assets | | 41,800 |
| Total assets acquired | | 91,511 |
| Liabilities assumed: | | |
| Accounts payable | | 24 |
| Accrued expenses | | 1,658 |
| Total liabilities assumed | | 1,682 |
| Fair value of assets acquired and liabilities assumed | $ | 89,829 |

During the year ended December 31, 2021, the Company settled its remaining obligation for the acquisition of TazWorks. The Company's final remaining provisional purchase price allocation amount related to the final working capital adjustment, which amounted to approximately $0.2 million received by the Company from the sellers of TazWorks, was settled in April 2021 and resulted in a corresponding adjustment to prepaid expenses and other current assets.





Because this acquisition closed on December 31, 2020, TazWorks' operating results were insignificant to the Company's consolidated results of operations for the year ended December 31, 2020.

The goodwill recognized is attributable primarily to synergies expected from the integration of the acquired product offering into the Company's integrated solutions including an increasing customer base and the expanded service capabilities that are expected to become available from planned investments in the acquired products. The TazWorks acquisition is treated as an asset purchase for income tax purposes; therefore, of the goodwill recorded, $46.4 million is expected to be deductible for tax purposes.

The fair value of the separately identifiable finite-lived intangible assets acquired and estimated useful lives are as follows (in thousands, except years):



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| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Developed technology | $ 9,200 | 10.0 |
| Trademarks | 2,300 | 10.0 |
| Customer relationships | 30,300 | 10.0 |
| Total acquisition-related intangible assets | $ 41,800 | 10.0 |

The fair value estimates for intangible assets include significant assumptions in the prospective financial information, such as revenue growth, customer attrition, and the discount rate. The fair value of the intangible assets was primarily based on the income approach using various methods such as relief from royalty and excess earnings methods. Intangible assets are amortized on a straight-line basis over their estimated useful lives.

**Acquisition of TCI.**

On November 2, 2020 April 1, 2022, the Company acquired all of the outstanding common stock of Teledata Communications, StreetShares, Inc. ("TCI" StreetShares"). TCI is based for cash consideration of $28.0 million, $30.0 million in Islandia, Long Island and offers cloud-based SaaS solutions escrow for financial institutions, and its product offering is complementary a contingent earnout that expires April 1, 2023, subject to existing offerings of the Company. Acquisition costs, which are expensed adjustment as incurred, amounted to $0.8 million for the TCI acquisition for the year ended December 31, 2020, and are included in operating expenses defined in the consolidated statements of operations.

purchase agreement, and $1.6 million in acquisition costs. The $30.0 million was considered contingent consideration and accounted for separate from the business combination accounting. The acquisition was funded by the Company's available cash. StreetShares is based out of Reston, VA, and is a financial technology company that provides digital small business lending technology to banks and credit unions. The aggregate consideration paid acquisition is expected to strengthen the Company's existing lending platform and accelerate the Company's small business lending capabilities. The acquisition is accounted for using the acquisition method of accounting.

During the year ended December 31, 2023, the $30.0 million held in connection escrow as contingent earnout proceeds was not earned and was released in its entirety back to the Company. The Company recognized $30.0 million as an increase to cash on its consolidated balance sheets.

Results of operations of StreetShares have been included in the operations of the Company beginning with the TCI acquisition was $105.8 closing date of the acquisition. Revenue and net loss attributable to StreetShares were $2.9 million paid in cash. In accordance with and $4.1 million, respectively, for the purchase agreement, at closing, the former owners of TCI deposited $2.1 million into a Paycheck Protection Program ("PPP") loan escrow account. During 2021, the PPP loan was forgiven by the SBA and the escrow deposit was repaid to the former owners of TCI. year ended December 31, 2022.





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The table below summarizes the allocation of the purchase price of StreetShares based on the estimated fair value of the assets acquired and the liabilities assumed (in thousands). The purchase price paid was in excess of the fair value of the net assets acquired and, as a result, the Company recorded goodwill as a result of the acquisition. :

| | | |
|---|---|---|
| Assets acquired: | | |
| Cash and cash equivalents | $ 2,745 | 1,580 |
| Restricted cash (1) | | 3,265 |
| Accounts receivable net | 2,355 | 157 |
| Prepaid expenses and other current assets | 257 | 561 |
| Property and equipment net | 370 | 142 |
| Right of use assets | | 613 |
| Deferred tax assets | | 10,426 |
| Goodwill | 56,079 | 7,952 |
| Intangible assets | 48,600 | 12,400 |
| Deferred tax asset | | 273 |
| Other non-current assets | 86 | 83 |
| Total assets acquired | 110,765 | 37,179 |
| Liabilities assumed: | | |
| Accounts payable | 374 | 368 |
| Accrued compensation and benefits | 362 | 3,585 |
| Accrued liabilities | | 738 |
| Contingent earnout | | 162 |
| Notes payable to Regulation A+ investors (1) | | 3,265 |
| Deferred revenue | 1,108 | 854 |
| Accrued expenses Other long-term liabilities | 979 | 225 |
| Notes payable (PPP Loan) | | 2,142 |
| Total liabilities assumed | 4,965 | 9,197 |
| Fair value of assets acquired and liabilities assumed | $ 105,800 | 27,982 |

(1) Prior to the acquisition, StreetShares was subject to Regulation A+ of the Securities and Exchange Commission and had offered StreetShares notes to investors. The notes were scheduled to mature during various dates through 2023. Subsequent to the acquisition, during April 2022, the Company used the $3.3 million restricted cash balance to repay the Regulation A+ payable in full.



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During the year ended December 31, 2022, the Company completed measurement period adjustments related to the fair value of identifiable intangible assets and final working capital adjustment, resulting in a reduction to the fair values of customer relationships and developed technology by $1.9 million and $1.5 million, respectively, an increase in deferred tax assets of $1.1 million, and an increase in goodwill of $2.3 million. The final working capital adjustment amounted to $0.1 million being paid by the Company to the sellers of StreetShares. The working capital adjustment was settled in September 2022 and resulted in a corresponding adjustment to prepaid expenses and other current assets.

During the year ended December 31, 2023, the Company finalized the provisional purchase price allocation related to income tax effects for the acquisition of StreetShares, resulting in a reduction to the deferred tax asset and corresponding increase to goodwill in the amount of $1.1 million. The goodwill recognized is attributable primarily to synergies expected from the integration of the acquired product offering into the Company's integrated solutions including an increasing customer base, the expanded expected acceleration of its small business lending service capabilities that are expected to become available from planned investments in the acquired products, and the value of the assembled work force in accordance with generally accepted accounting principles. capabilities. The TCI StreetShares acquisition is treated as a deemed asset stock purchase for income tax purposes; therefore, of the goodwill recorded, $55.2 million none is expected to be considered deductible for income tax purposes.

The results of TCI's operations are included in the Company's consolidated statements of operations since November 2, 2020, the date of the acquisition. Revenue attributable to TCI was $3.6 million for the period ended December 31, 2020. Net income attributable to TCI was insignificant to the operating results for the year ended December 31, 2020.



The fair value of the separately identifiable finite-lived intangible assets acquired and estimated useful lives are as follows (in thousands, except years):

| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Customer relationships | $36,200 | 10.0 |
| Developed technology | 10,100 | 9.6 |
| Trademarks | 2,300 | 10.0 |

| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Customer relationships | $ 500 | 5.0 |
| Developed technology | 11,800 | 10.0 |
| Trademarks | 100 | 2.0 |



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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Total acquisition-related intangible assets | Total acquisition-related intangible assets | $48,600 | 9.6 | Total acquisition-related intangible assets | $12,400 | 9.7 | | 9.7 |

The fair value estimates for intangible assets include significant assumptions in the prospective financial information, such as revenue growth customer attrition, and the discount rate. rates. The fair value of the intangible assets was primarily based on the income approach using various methods such as the relief from royalty, with-or-without, and excess earnings methods.





**Pro Forma Financial Information (Unaudited)**

The pro forma statements of operations data for In Q4 2022, the years ended December 31, 2022 and 2021, give effect Company updated its forecast assumptions used in the StreetShares purchase price allocation, resulting in a reduction to the OpenClose acquisition, described above, as if it had occurred at January 1, 2021. These amounts have been calculated after adjusting estimated operating income projected in future years. The Company considered this change in forecast assumptions to be a possible indicator of impairment and therefore tested the operating results of OpenClose StreetShares intangible asset group for recoverability by comparing the following primary items: (1) additional intangible amortization from remaining undiscounted cash flows to the transaction, (2) acquisition-related expenses incurred, and (3) the related tax effects carrying value of the above adjustments. For intangible assets. Based on the years ended December 31, 2022 and 2021 pro forma revenue was $300.2 million and $279.7 million, respectively. Pro forma earnings reflect net losses outcome of $0.4 million and $14.7 million for that test, the years ended December 31, 2022 and 2021, respectively.

The unaudited pro forma results have been prepared for comparative purposes only and are not necessarily indicative Company determined the remaining undiscounted cash flows were significantly higher than the carrying value of the actual results of operations had the acquisitions taken place as of January 1, 2021, or the results of our future operations. Furthermore, the pro forma results do not give effect to all cost savings or incremental costs that may occur as a result of the integration intangible asset group and consolidation of the completed acquisitions. no impairment was necessary.

Pro forma information for the Saylent and StreetShares acquisitions is not provided because their historical operating results were not material to the Company's consolidated results of operations.

**Goodwill Rollforward**



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A rollforward of the Company's goodwill balance for the years ending December 31, 2021 and December 31, 2022 is as follows:

| | Year Ended December 31, | |
|---|---|---|
| | 2022 | 2021 |
| Beginning balance | $ 564,799 | $ 542,965 |
| OpenClose acquisition | 37,038 | — |
| StreetShares acquisition | 6,820 | — |
| Saylent acquisition | — | 22,036 |
| Adjustments to Saylent acquisition date fair value | — | (249) |
| Adjustments to TazWorks acquisition date fair value | — | 47 |
| Ending balance | $ 608,657 | $ 564,799 |

## Note 14 – Employee Benefits

The Company has a retirement savings plan, which qualifies under Section 401(k) of the Internal Revenue Code. Under the plan, participating employees may make elective deferrals which are matched up to specified limits by the Company. Employer matching contributions for the years ended December 31, 2022, 2021, and 2020 were $1.4 million, $1.3 million, and $0.8 million, respectively.

## Note 15 – Subsequent Events

### Restructuring Plan

In February 2023, the Company's board of directors authorized a restructuring plan (the "Restructuring Plan") that is was designed to consolidate the Company's functions and investments to prioritize customer-centric areas of the Company's organization, align teams with the Company's highest business priorities, and improve efficiencies. The Restructuring Plan includes included a reduction of the Company's current then-current workforce by approximately 9% 11%.

The Company estimates that it will incur Restructuring charges of approximately $2.5 $3.6 million, to $3.5 million in connection with the Plan, consisting primarily of cash expenditures and relating to employee severance payments, employee, benefits, and employee transition costs, net of $0.7 million previously vested share-based compensation, were recognized during the year ended December 31, 2023. These costs are reflected in restructuring-related costs on the Company's consolidated statements of operations.

A rollforward of the Company's restructuring reserve balance as of December 31, 2023, is as follows (in thousands):

| | As of December 31, 2023 |
|---|---|
| Balance as of January 1, 2023 | $ — |
| Restructuring related costs | 3,621 |
| Payments | (3,621) |
| Balance as of December 31, 2023 | $ — |



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Additionally, refer to Note 16 “Subsequent Events” for additional information.





## Note 13 – Business Combinations

### Acquisition of OpenClose

On November 4, 2022, the Company acquired all of the outstanding stock of Beanstalk Networks LLC, doing business as OpenClose (“OpenClose”), for cash consideration of $62.8 million. In connection with the acquisition, the Company incurred $1.9 million in acquisition related costs. The acquisition was funded by the Company’s available cash. OpenClose is based out of West Palm Beach, Florida, and provides mortgage lending technology, with a particular focus on supporting depository institutions. The acquisition is expected to improve the company’s existing lending platform and improve our offerings for depository institutions. The acquisition is accounted for using the acquisition method of accounting whereby the acquired assets and liabilities will be recorded at their respective fair values and added to those of the Company, including an amount for goodwill representing the difference between the acquisition consideration and the fair value of the identifiable net assets.

Results of operations of OpenClose have been included in the operations of the Company beginning with the closing date of the acquisition. Revenue and net income attributable to OpenClose were $2.5 million and $0.2 million for the year ended December 31, 2022, respectively.

The table below summarizes the allocation of the purchase price of OpenClose based on the estimated fair value of the assets acquired and the liabilities assumed (in thousands):



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| | | |
|---|---|---|
| Assets acquired: | | |
| Cash and cash equivalents | $ | 1,261 |
| Accounts receivable | | 830 |
| Prepaid expenses and other current assets | | 61 |
| Goodwill | | 37,312 |
| Intangible assets | | 29,600 |
| Total assets acquired | | 69,064 |
| Liabilities assumed: | | |
| Accounts payable | | 133 |
| Accrued compensation and benefits | | 2,623 |
| Accrued liabilities | | 2,941 |
| Deferred revenue | | 603 |
| Total liabilities assumed | | 6,300 |
| Fair value of assets acquired and liabilities assumed | $ | 62,764 |

During the year ended December 31, 2023, the Company finalized the provisional purchase price allocation related to final working capital adjustments and income tax effects for the acquisition of OpenClose, resulting in changes to the acquisition's opening balance sheet, including an increase to accrued liabilities of $0.6 million, and decrease in cash consideration transferred of $0.3 million with the corresponding net amount of $0.3 million as an increase to goodwill. The goodwill recognized is attributable to an increased customer base and expanded service capabilities. The OpenClose acquisition is treated as an asset purchase for income tax purposes; therefore all goodwill recorded is considered deductible for income tax purposes.





The fair value of the separately identifiable finite-lived intangible assets acquired and estimated useful lives are as follows (in thousands, except years):

| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Customer relationships | $ 14,200 | 10.0 |



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| | | |
|---|---|---|
| Developed technology | 9,800 | 10.0 |
| Trademarks | 700 | 5.0 |
| Non-competition agreements | 4,900 | 5.0 |
| Total acquisition-related intangible assets | $ 29,600 | 9.0 |

The fair value estimates for intangible assets include significant assumptions in the prospective financial information, such as revenue growth and discount rates. The fair value of the intangible assets was primarily based on the income approach using various methods such as the relief from royalty, with-or-without, and excess earnings methods.

**Acquisition of StreetShares**

On April 1, 2022, the Company acquired all of the outstanding stock of StreetShares, Inc. (“StreetShares”) for cash consideration of $28.0 million, $30.0 million in escrow for a contingent earnout that expires April 1, 2023, subject to adjustment as defined in the purchase agreement, and $1.6 million in acquisition costs. The $30.0 million was considered contingent consideration and accounted for separate from the business combination accounting. The acquisition was funded by the Company’s available cash. StreetShares is based out of Reston, VA, and is a financial technology company that provides digital small business lending technology to banks and credit unions. The acquisition is expected to strengthen the Company’s existing lending platform and accelerate the Company’s small business lending capabilities. The acquisition is accounted for using the acquisition method of accounting.

During the year ended December 31, 2023, the $30.0 million held in escrow as contingent earnout proceeds was not earned and was released in its entirety back to the Company. The Company recognized $30.0 million as an increase to cash on its consolidated balance sheets.

Results of operations of StreetShares have been included in the operations of the Company beginning with the closing date of the acquisition. Revenue and net loss attributable to StreetShares were $2.9 million and $4.1 million, respectively, for the year ended December 31, 2022.





The table below summarizes the allocation of the purchase price of StreetShares based on the estimated fair value of the assets acquired and the liabilities assumed (in thousands):



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| | | |
|---|---|---|
| Assets acquired: | | |
| Cash and cash equivalents | $ | 1,580 |
| Restricted cash (1) | | 3,265 |
| Accounts receivable | | 157 |
| Prepaid expenses and other current assets | | 561 |
| Property and equipment | | 142 |
| Right of use assets | | 613 |
| Deferred tax assets | | 10,426 |
| Goodwill | | 7,952 |
| Intangible assets | | 12,400 |
| Other assets | | 83 |
| Total assets acquired | | 37,179 |
| Liabilities assumed: | | |
| Accounts payable | | 368 |
| Accrued compensation and benefits | | 3,585 |
| Accrued liabilities | | 738 |
| Contingent earnout | | 162 |
| Notes payable to Regulation A+ investors (1) | | 3,265 |
| Deferred revenue | | 854 |
| Other long-term liabilities | | 225 |
| Total liabilities assumed | | 9,197 |
| Fair value of assets acquired and liabilities assumed | $ | 27,982 |

(1) Prior to the acquisition, StreetShares was subject to Regulation A+ of the Securities and Exchange Commission and had offered StreetShares notes to investors. The notes were scheduled to mature during various dates through 2023. Subsequent to the acquisition, during April 2022, the Company used the $3.3 million restricted cash balance to repay the Regulation A+ payable in full.

During the year ended December 31, 2022, the Company completed measurement period adjustments related to the fair value of identifiable intangible assets and final working capital adjustment, resulting in a reduction to the fair values of customer relationships and developed technology by $1.9 million and $1.5 million, respectively, an increase in deferred tax assets of $1.1 million, and an increase in goodwill of $2.3 million. The final working capital adjustment amounted to $0.1 million being paid by the Company to the sellers of StreetShares. The working capital adjustment was settled in September 2022 and resulted in a corresponding adjustment to prepaid expenses and other current assets.

During the year ended December 31, 2023, the Company finalized the provisional purchase price allocation related to income tax effects for the acquisition of StreetShares, resulting in a reduction to the deferred tax asset and corresponding increase to goodwill in the amount of $1.1 million. The goodwill recognized is attributable to the Company's expected



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acceleration of its small business lending service capabilities. The StreetShares acquisition is treated as a stock purchase for income tax purposes; therefore, of the goodwill recorded, none is considered deductible for income tax purposes.





The fair value of the separately identifiable finite-lived intangible assets acquired and estimated useful lives are as follows (in thousands, except years):

| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Customer relationships | $ 500 | 5.0 |
| Developed technology | 11,800 | 10.0 |
| Trademarks | 100 | 2.0 |
| Total acquisition-related intangible assets | $ 12,400 | 9.7 |

The fair value estimates for intangible assets include significant assumptions in the prospective financial information, such as revenue growth and discount rates. The fair value of the intangible assets was primarily based on the income approach using various methods such as the relief from royalty, with-or-without, and excess earnings methods. In Q4 2022, the Company updated its forecast assumptions used in the StreetShares purchase price allocation, resulting in a reduction to the estimated operating income projected in future years. The Company considered this change in forecast assumptions to be a possible indicator of impairment and therefore tested the StreetShares intangible asset group for recoverability by comparing the remaining undiscounted cash flows to the carrying value of the intangible assets. Based on the outcome of that test, the Company determined the remaining undiscounted cash flows were significantly higher than the carrying value of the intangible asset group and no impairment was necessary.

***Contingent Earnout Liability***

The purchase price for StreetShares included a potential earnout that was measured over 12 months from April 2, 2022, through April 1, 2023, based on performance factors outlined in the acquisition agreement.

The contingent earnout liability was recorded at estimated fair value each reporting period using a Monte Carlo simulation based on the forecasted operating results over the earnout period, estimates for market volatility, discount rates, and the earnout formula specified in the acquisition agreement. As the fair value uses significant unobservable inputs, it is considered a Level 3 fair value measurement.



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The contingent earnout liability was initially recorded in accrued liabilities on the Company's consolidated balance sheets. The $30.0 million held in escrow as contingent earnout proceeds was not earned and was released in its entirety back to the Company during the year ended December 31, 2023.

**The actions associated Acquisition of Saylent**

On April 1, 2021, the Company acquired all of the outstanding stock of Saylent Technologies, Inc. ("Saylent") for cash consideration of $38.5 million, subject to adjustment as defined in the purchase agreement. In connection with the workforce reduction under acquisition, the Plan are expected to be substantially complete Company incurred $0.8 million in acquisition related costs. Such costs have been included in acquisition related costs in the accompanying consolidated statements of operations. The acquisition was funded by the end Company's available cash. Saylent was based out of Boston, MA and is a data analytics and marketing solution that offers insights to financial institutions that help drive account and credit and debit card usage and allows the Company to accelerate market availability of already planned product investments. The acquisition was accounted for using the acquisition method of accounting, whereby the acquired assets and liabilities of Saylent were recorded at their respective fair values and added to those of the first quarter Company, including an amount for goodwill.

Results of 2023, subject operations of Saylent have been included in the operations of the Company beginning with the closing date of the acquisition. The acquisition was immaterial to local law the Company's operating results as a whole.



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The table below summarizes the allocation of the purchase price of Saylent based on the estimated fair value of the assets acquired and consultation requirements. the liabilities assumed (in thousands).



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| | | |
|---|---|---|
| Assets acquired: | | |
| Cash and cash equivalents | $ | 1,676 |
| Restricted cash | | 879 |
| Accounts receivable, net | | 4,174 |
| Prepaid expenses and other current assets | | 121 |
| Property and equipment, net | | 371 |
| Goodwill | | 22,036 |
| Intangible assets | | 13,700 |
| Total assets acquired | | 42,957 |
| Liabilities assumed: | | |
| Accounts payable | | 210 |
| Accrued compensation and benefits | | 2,191 |
| Accrued liabilities | | 754 |
| Deferred tax liability | | 521 |
| Notes payable (PPP Loan) | | 775 |
| Total liabilities assumed | | 4,451 |
| Fair value of assets acquired and liabilities assumed | $ | 38,506 |

During the year ended December 31, 2022, the Company finalized the provisional price allocation for income tax effects, resulting in no additional adjustments to the opening balance sheet.

The goodwill recognized is attributable to increased customer base and expanded service capabilities. The Saylent acquisition is treated as a stock purchase for income tax purposes; therefore, of the goodwill recorded, none is considered deductible for income tax purposes.

The fair value of the separately identifiable finite-lived intangible assets acquired and estimated useful lives are as follows (in thousands, except years):

| | Estimated Fair Values | Weighted Average Amortization Life (years) |
|---|---|---|
| Customer relationships | $ 5,800 | 15.0 |
| Trademarks | 1,500 | 6.3 |
| Non-competition agreements | 600 | 2.0 |
| Developed technology | 5,800 | 8.7 |
| Total acquisition-related intangible assets | $ 13,700 | 10.8 |

The fair value estimates for intangible assets include significant assumptions in the prospective financial information, such as revenue growth, customer attrition, and the discount rate. The fair value of the intangible assets was primarily based on



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the income approach using various methods such as the relief from royalty and excess earnings methods.





**Pro Forma Financial Information (Unaudited)**

The pro forma statements of operations data for the years ended December 31, 2022, and 2021 give effect to the OpenClose acquisition, described above, as if it had occurred at January 1, 2021. These amounts have been calculated after adjusting the operating results of OpenClose for the following primary items: (1) additional intangible amortization from the transaction, (2) acquisition-related expenses incurred, and (3) the related tax effects of the above adjustments. For the years ended December 31, 2022, and 2021, pro forma revenue was $300.2 million and $279.7 million, respectively. Pro forma earnings reflect net losses of $0.4 million and $14.7 million for the years ended December 31, 2022, and 2021, respectively.

The unaudited pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the actual results of operations had the acquisitions taken place as of January 1, 2021, or the results of our future operations. Furthermore, the pro forma results do not give effect to all cost savings or incremental costs that may occur as a result of the integration and consolidation of the completed acquisitions.

Pro forma information for the Saylent and StreetShares acquisitions is not provided because their historical operating results were not material to the Company’s consolidated results of operations.

**Note 14 – Leases**

The Company leases office space and server equipment under various operating lease agreements that expire through December 2026. The Company recognizes the related rent expense on a straight-line basis over the term of each lease. Free rent and rental increases are recognized on a straight-line basis over the term of each lease.

As of December 31, 2023, the weighted average remaining lease term was two years and the weighted average discount rate was 6.0%. The Company does not have any finance leases as of December 31, 2023.

One lease was with a related party that expired in December 2022. The monthly payments during each of the years ended December 31, 2022, and 2021 were $0.1 million.

The Company also has subleases of former office spaces which expire at various dates from 2024 to 2026. Sublease income from operating leases, which is recorded as a reduction of rental expense, was $0.3 million, $0.4 million, and $0.2 million for the years ended December 31, 2023, 2022, and 2021, respectively. One of the subleases was entered into during March 2022 resulting in a total loss of $0.1 million from the disposal of related assets. The loss is included in general and administrative expense on the consolidated statements of operations for the year ended December 31, 2022.



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Rent expense, gross of sublease income, has been recorded in the consolidated statements of operations for the years ended December 31, 2023, and 2022 (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Cost of revenues | $ 569 | $ 720 |
| General and administrative | 68 | 260 |
| Research and development | 635 | 579 |
| Sales and marketing | 198 | 240 |
| Total rent expense | $ 1,470 | $ 1,799 |

The following table presents supplemental cash flow information about the Company's leases (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Cash paid for amounts included in the measurement of lease liabilities | $ 1,323 | $ 2,008 |
| Operating lease assets obtained in exchange for new operating lease liabilities | — | 1,033 |





The following table presents supplemental balance sheet information about the Company's leases (in thousands):

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Operating lease ROU assets | $ 1,140 | $ 2,185 |
| Operating lease liabilities, current | $ 773 | $ 1,223 |
| Noncurrent operating lease liabilities | 504 | 1,282 |
| Total operating lease liabilities | $ 1,277 | $ 2,505 |

As of December 31, 2023, remaining maturities of lease liabilities were as follows (in thousands):



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| | As of December 31, 2023 |
|---|---|
| Years ending December 31, | |
| 2024 | $ 779 |
| 2025 | 320 |
| 2026 | 245 |
| Total operating lease payments (1) | 1,344 |
| Less: imputed interest | (67) |
| Total operating lease liabilities | $ 1,277 |

(1) Presented gross of sublease income. The Company expects to receive sublease income of $0.2 million in 2024, $0.2 million in 2025, and $0.2 million in 2026.

No impairment of ROU assets was recorded during the years ended December 31, 2023, or 2022.

As of December 31, 2021, prior to the adoption of ASC 842 *"Leases,"* the aggregate future non-cancelable minimum rental payments and expected sublease receipts were as follows (in thousands):

| | Related Party | Third Party | Sublease Receipts | Total |
|---|---|---|---|---|
| Years ending December 31, | | | | |
| 2022 | $ 875 | $ 736 | $ (293) | $ 1,318 |
| 2023 | — | 753 | — | 753 |
| 2024 | — | 722 | — | 722 |
| 2025 | — | 319 | — | 319 |
| 2026 | — | 244 | — | 244 |
| Thereafter | — | — | — | — |
| Total future minimum lease payments | $ 875 | $ 2,774 | $ (293) | $ 3,356 |

Rent expense for the year ended December 31, 2021, was as follows (in thousands):

| | Year Ended December 31, 2021 |
|---|---|
| Cost of revenues | $ 735 |
| General and administrative | 186 |
| Research and development | 472 |
| Sales and marketing | 207 |
| Total rent expense | $ 1,600 |



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**MERIDIANLINK, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS– (CONTINUED)**

## Note 15 – Employee Benefits

The Company has a retirement savings plan, which qualifies under Section 401(k) of the Internal Revenue Code. Under the plan, participating employees may make elective deferrals which are matched up to specified limits by the Company. Employer matching contributions for the years ended December 31, 2023, 2022, and 2021 were $1.6 million, $1.4 million, and $1.3 million, respectively.

## Note 16 – Subsequent Events

### Organizational Realignment Plan

In January 2024, the Company's board of directors authorized an organizational realignment plan (the "2024 Realignment Plan") that is designed to manage operating costs, enable efficient delivery on business objectives, and allow for growth in areas of strategic importance. The 2024 Realignment Plan includes a reduction of the Company's current workforce by approximately 9%. The Company estimates that it will incur charges of approximately $3.3 million to $4.3 million (unaudited) in connection with the 2024 Realignment Plan, consisting primarily of cash expenditures and relating to employee severance payments, employee benefits, and employee transition costs. As of March 12, 2024, $3.2 million has been incurred related to the 2024 Realignment Plan. The actions associated with the workforce reduction under the 2024 Realignment Plan are expected to be substantially complete by the end of the first quarter of 2024, subject to local law and consultation requirements. The estimates of the charges and expenditures that the Company expects to incur in connection with the Realignment Plan, and timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual amounts may differ from the estimates discussed above.

### January 2024 Stock Repurchase Program

In January 2024, the Company's board of directors authorized a new stock repurchase program to acquire up to $125.0 million of the Company's common stock, with no fixed expiration date and no requirement to purchase any minimum number of shares (the "2024 Stock Repurchase Program"). Shares may be repurchased under the repurchase program through privately negotiated transactions, or open market purchases, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act. Any shares of common stock repurchased under the repurchase program will be retired and automatically returned to the status of authorized but unissued shares of common stock. Approximately $44.0 million of the January 2024 Stock Repurchase Program was used for the stock repurchase in connection with the Secondary Offering.

### Secondary Offering by Selling Stockholders and Related Common Stock Repurchase

On February 9, 2024, the Company completed an underwritten secondary offering for the sale of 6,906,015 shares of common stock by certain of its existing stockholders, at an offering price of $19.00 per share (the "Secondary Offering").



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The selling stockholders also granted the underwriters a 30-day option to purchase up to an additional 675,000 shares of common stock from the selling stockholders at the public offering price, less underwriting discounts and commissions. The underwriters did not exercise this option during the 30-day window. The Company did not receive any proceeds from the sale of our common stock by the selling stockholders in the Secondary Offering, and will not receive any proceeds from sales of our common stock by the selling stockholders upon the exercise of the underwriters' option.

On February 9, 2024, in connection with the Secondary Offering and pursuant to the 2024 Repurchase Program, the Company purchased 2,406,015 shares of its common stock from the underwriters at a price per share equal to $18.2875, which is equal to the per share price at which the underwriters purchased the shares from the selling stockholders in the Secondary Offering, resulting in an aggregate purchase price of approximately $44.0 million.

The Secondary Offering was made pursuant to an effective shelf registration statement on Form S-3 (Registration No. 333-276336), which was filed with the Securities and Exchange Commission on December 29, 2023 and became effective on January 8, 2024.



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**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures**

None.

**Item 9A. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15(d)-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K.

Based on this our evaluation and because of the material weakness in our principal executive officer and principal internal control over financial officer reporting discussed below, our management have concluded that, as of December 31, 2022 December 31, 2023, our disclosure review controls and procedures were effective at not effective. Notwithstanding the reasonable assurance level. material weakness, our management has concluded that the consolidated financial statements fairly present, in all material respects, the financial condition, results of operations and cash flows of the Company for the periods presented in conformity with U.S. generally accepted accounting principles.

**Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Internal control over financial reporting includes those policies and procedures that:



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i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2022 December 31, 2023. In making this assessment, our management used the criteria established in Internal Control - integrated Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our Based on its assessment, our management has concluded that as of December 31, 2022, our internal controls control over financial reporting are was not effective based as of December 31, 2023 due to the material weakness in our internal control over financial reporting described below.

During the year ended December 31, 2023, we identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

We have identified multiple control deficiencies that aggregate to a material weakness related to the design and operating effectiveness of controls over revenue as of December 31, 2023. This was primarily caused by insufficient controls over the set-up of customer contracts for billing and maintaining complete contract support that were not operating effectively. We can confirm that there has been no restatement of prior period financial statements and no change to our previously released financial results as a result of these criteria. control deficiencies.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Our management's report was not subject to attestation by our independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal controls over financial reporting for as long as we are an emerging growth company pursuant to the provisions of the Jumpstart Our Business Startups Act. Act of 2012.



**Remediation Plans**



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To address our material weakness, we will design and implement additional review processes, enhanced procedures, and controls, including with respect to customer contracts, as well as system improvements and implementations, staffing and training. We will not be able to fully remediate this material weakness until these procedures have been completed and the controls have been operating effectively for a sufficient period of time.

**Changes in Internal Control Over Financial Reporting**

There Except for the material weakness and remediation efforts noted above, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2022 December 31, 2023, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Inherent Limitations on Effectiveness of Controls**

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitation in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

**Item 9B. Other Information**

None. During the quarter ended December 31, 2023, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (as each term is defined in Item 408 of Regulation S-K).



**Item 9C. Disclosure Regarding Foreign Jurisdiction that Prevent Inspections**

Not applicable.



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## PART III

### Item 10. Directors, Executive Officers and Corporate Governance

Information required by Part III, Item 10, will be included in our Definitive Proxy Statement relating to our 2023 2024 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023, and is incorporated herein by reference.

### Item 11. Executive Compensation

Information required by Part III, Item 11, will be included in our Definitive Proxy Statement relating to our 2023 2024 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023, and is incorporated herein by reference.

### Item 12. Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters

Information required by Part III, Item 12, will be included in our Definitive Proxy Statement relating to our 2023 2024 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023, and is incorporated herein by reference.

### Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by Part III, Item 13, will be included in our Definitive Proxy Statement relating to our 2023 2024 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023, and is incorporated herein by reference.

### Item 14. Principal Accountant Fees and Services

Information required by Part III, Item 14, will be included in our Definitive Proxy Statement relating to our 2023 2024 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023, and is incorporated herein by reference.





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## PART IV

### Item 15. Exhibits and Financial Statement Schedules

**1. Financial Statements**

The Following financial statements are included in Part II, Item 8 of this Form 10-K:

**Report of Independent Registered Public Accounting Firm (BDO USA, LLP, P.C., Costa Mesa, California, PCAOB ID# 243)**
Consolidated Balance Sheets
Consolidated Statements of Operations
Consolidated Statements of Preferred Units and Stockholders' Equity/Members' Deficit
Consolidated Statements of Cash Flows
Notes to the Consolidated Financial Statements.

**2. Financial Statement Schedules**

All other schedules have been omitted because they are not required, not applicable, or the required information is otherwise included.

**3. Exhibits**

The information required by this Item is set forth on the exhibit index that precedes the signature page of this Annual Report on Form 10-K.

### Item 16. Form 10-K Summary

None.



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### Exhibit Index

| Exhibit No. | Exhibit Title | Form | Exhibit | Filing Date |
|---|---|---|---|---|
| 3.1 | Certificate of Incorporation of the Registrant. | 10-Q | 3.1 | September 7, 2021 |
| 3.2 | Bylaws of the Registrant. | S-1 | 3.3 | April 30, 2021 |
| 4.1 | Specimen Common Stock Certificate. | S-1 | 4.1 | April 30, 2021 |



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| | | | | |
|---|---|---|---|---|
| 4.2 | Registration Rights Agreement, dated May 31, 2018, by and among the Registrant and certain of its shareholders. | S-1 | 4.2 | April 30, 2021 |
| 4.3 | Description of Securities. | 10-K | 4.3 | March 10, 2022 |
| 10.1† | 2021 Stock Option and Incentive Plan, as amended, and forms of award agreements thereunder. | — | — | Filed herewith |
| 10.2† | 2021 Employee Stock Purchase Plan. | S-1/A | 10.2 | July 19, 2021 |
| 10.3† | Non-Employee Director Compensation Policy. | S-1/A | 10.3 | July 19, 2021 |
| 10.4† | Senior Executive Cash Incentive Bonus Plan. | S-1 | 10.4 | April 30, 2021 |
| 10.5† | Forms of Indemnification Agreement between the registrant and each of its directors and executive officers. | S-1 | 10.5 | April 30, 2021 |
| 10.6† | Executive Officer Employment Agreement, as amended, by and between the registrant and Nicolaas Vlok. | — | — | Filed herewith |
| 10.7† | Executive Officer Employment Agreement, by and between the registrant and Chad Martin. | S-1 | 10.7 | April 30, 2021 |
| 10.8† | Executive Officer Employment Agreement, by and between the registrant and Timothy Nguyen. | S-1 | 10.8 | April 30, 2021 |
| 10.9† | Executive Officer Employment Agreement, by and between the registrant and Alan Arnold. | S-1 | 10.9 | April 30, 2021 |
| 10.10 | Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and Antares Capital LP, dated as of May 31, 2018. | S-1 | 10.10 | April 30, 2021 |
| 10.11 | Amendment No. 1 to Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and Antares Capital LP, dated as of July 3, 2018. | S-1 | 10.11 | April 30, 2021 |



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| 10.12 | Second Amendment and Incremental Facility Amendment to Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., the Incremental Term Loan Lenders (as defined therein), Professional Credit Reporting, Inc., ML East Acquisition Subsidiary, Inc., and Antares Capital LP, dated as of December 21, 2018. | S-1 | 10.12 | April 30, 2021 |



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| 10.13 | Amendment No. 3 to Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and Antares Capital LP, dated as of June 27, 2019. | S-1 | 10.13 | April 30, 2021 |
| 10.14 | Fourth Amendment and Incremental Facility Amendment to Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., the Incremental Term Loan Lenders (as defined therein), Professional Credit Reporting, Inc., ML East Acquisition Subsidiary, Inc., and Antares Capital LP, dated as of October 7, 2019. | S-1 | 10.14 | April 30, 2021 |
| 10.15 | Fifth Amendment and Incremental Facility Amendment to Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., the Incremental Term Loan Lenders (as defined therein), Professional Credit Reporting, Inc., ML East Acquisition Subsidiary, Inc., and Antares Capital LP, dated as of January 12, 2021. | S-1 | 10.15 | April 30, 2021 |
| 10.16 | Second Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., the other lenders party thereto, and DBD Credit Funding LLC, dated as of May 31, 2018. | S-1 | 10.16 | April 30, 2021 |



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| 10.17 | Amendment No. 1 to Senior Secured Second Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and DBD Credit Funding LLC, dated as of July 3, 2018. | S-1 | 10.17 | April 30, 2021 |
| 10.18 | Amendment No. 2 to Senior Secured Second Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and DBD Credit Funding LLC, dated as of June 27, 2019. | S-1 | 10.18 | April 30, 2021 |
| 10.19 | Amendment No. 3 to Senior Secured Second Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and DBD Credit Funding LLC, dated as of October 7, 2019. | S-1 | 10.19 | April 30, 2021 |
| 10.20 | Amendment No. 4 to Senior Secured Second Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and DBD Credit Funding LLC, dated as of January 12, 2021. | S-1 | 10.20 | April 30, 2021 |
| 10.21 | Standard Industrial/Commercial Single-Lessee Lease – Net by and between the registrant and MLink Enterprise, LLC, dated as of November 30, 2012. | S-1 | 10.21 | April 30, 2021 |
| 10.22 | First Amendment to Lease Agreement by and between the registrant and MLink Enterprise, LLC, dated as of March 23, 2018. | S-1 | 10.22 | April 30, 2021 |
| 10.23 | Office Sublease by and between MeridianLink, Inc. and Profit Recovery Partners, LLC, dated as of March 24, 2021. | S-1/A | 10.23 | July 19, 2021 |

| Exhibit No. | Exhibit Title | Form | Exhibit | Filing Date |
|---|---|---|---|---|
| 3.1 | Certificate of Incorporation of the Registrant. | 10-Q | 3.1 | September 7, 2021 |
| 3.2 | Bylaws of the Registrant. | S-1 | 3.3 | April 30, 2021 |
| 4.1 | Specimen Common Stock Certificate. | S-1 | 4.1 | April 30, 2021 |



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| 4.2 | Registration Rights Agreement, dated May 31, 2018, by and among the Registrant and certain of its stockholders. | S-1 | 4.2 | April 30, 2021 |
| 4.3 | Amendment No. 1 to Registration Rights Agreement, dated as of December 28, 2023, by and among the Registrant and certain of its stockholders. | S-3 | 4.2 | December 28, 2023 |
| 4.4 | Description of Securities. | 10-K | 4.3 | March 10, 2022 |
| 10.1† | 2021 Stock Option and Incentive Plan, as amended, and forms of award agreements thereunder. | 10-K | 10.1 | March 9, 2023 |
| 10.2† | 2021 Employee Stock Purchase Plan. | S-1/A | 10.2 | July 19, 2021 |
| 10.3† | Non-Employee Director Compensation Policy. | 10-Q | 10.2 | August 4, 2023 |
| 10.4† | Senior Executive Cash Incentive Bonus Plan. | S-1 | 10.4 | April 30, 2021 |
| 10.5† | Forms of Indemnification Agreement between the registrant and each of its directors and executive officers. | S-1 | 10.5 | April 30, 2021 |
| 10.6† | Executive Officer Employment Agreement, as amended, by and between the registrant and Nicolaas Vlok. | 10-K | 10.6 | March 9, 2023 |
| 10.7† | Executive Officer Employment Agreement, by and between the registrant and Timothy Nguyen. | S-1 | 10.8 | April 30, 2021 |
| 10.8† | Executive Officer Employment Agreement, by and between the registrant and Alan Arnold. | S-1 | 10.9 | April 30, 2021 |
| 10.9 | Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and Antares Capital LP, dated as of May 31, 2018. | S-1 | 10.10 | April 30, 2021 |
| 10.10 | Amendment No. 1 to Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and Antares Capital LP, dated as of July 3, 2018. | S-1 | 10.11 | April 30, 2021 |



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| 10.11 | Second Amendment and Incremental Facility Amendment to Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., the Incremental Term Loan Lenders (as defined therein), Professional Credit Reporting, Inc., ML East Acquisition Subsidiary, Inc., and Antares Capital LP, dated as of December 21, 2018. | S-1 | 10.12 | April 30, 2021 |



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| 10.24 | First Amendment to Office Sublease by and between MeridianLink, Inc. and Profit Recovery Partners, LLC, dated as of April 21, 2021. | S-1/A | 10.24 | July 19, 2021 |
| 10.25 | Credit Agreement, dated as of November 10, 2021, by and among MeridianLink, Inc., ML California Sub, Inc, the other lenders party thereto, and Bank of America, N.A. | 8-K | 10.1 | November 10, 2021 |
| 10.26† | Amendment No. 1 to Employment Agreement, by and between the MeridianLink, Inc., ML California Sub, Inc, and Timothy Nguyen, dated as of December 23, 2021. | 8-K | 10.1 | December 23, 2021 |
| 10.27† | Transition Agreement by and between the Registrant and Chad Martin, dated as of May 24, 2022. | 8-K | 10.1 | May 25, 2022 |
| 10.28† | Employment Agreement, as amended, by and between the Registrant and Sean Blitchok. | — | — | Filed herewith |
| 10.29† | Amended and Restated Employment Agreement, as amended, by and between the Registrant and Chris Maloof. | — | — | Filed herewith |
| 10.30† | Transition Agreement by and between the Registrant and Alan Arnold, dated as of January 9, 2023. | 8-K | 10.1 | January 10, 2023 |
| 21.1 | Subsidiaries of the Registrant. | — | — | Filed herewith |
| 23.1 | Consent of BDO USA, LLP. | — | — | Filed herewith |



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| 24.1 | Power of Attorney (included on signature page hereto). | — | — | Filed herewith |
| 31.1 | Certification of Principal Executive Officer pursuant to SEC Rule 13a-14(a)/15d-14(a). | — | — | Filed herewith |
| 31.2 | Certification of Principal Financial Officer pursuant to SEC Rule 13a-14(a)/15d-14(a). | — | — | Filed herewith |
| 32.1# | 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. | — | — | Filed herewith |
| 32.2# | 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. | — | — | Filed herewith |
| 101.INS | Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document). | — | — | Filed herewith |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. | — | — | Filed herewith |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. | — | — | Filed herewith |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. | — | — | Filed herewith |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. | — | — | Filed herewith |

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| 10.12 | Amendment No. 3 to Senior Secured First Lien Credit Agreement by and among Project Angel Intermediate Holdings, LLC, Project Angel Holdings, LLC, MeridianLink, Inc., each lender from time to time party thereto, and Antares Capital LP, dated as of June 27, 2019. | S-1 | 10.13 | April 30, 2021 |
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| 10.20 | Standard Industrial/Commercial Single-Lessee Lease – Net by and between the registrant and MLink Enterprise, LLC, dated as of November 30, 2012. | S-1 | 10.21 | April 30, 2021 |



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| 10.21 | First Amendment to Lease Agreement by and between the registrant and MLink Enterprise, LLC, dated as of March 23, 2018. | S-1 | 10.22 | April 30, 2021 |
| 10.22 | Office Sublease by and between MeridianLink, Inc. and Profit Recovery Partners, LLC, dated as of March 24, 2021. | S-1/A | 10.23 | July 19, 2021 |



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| 10.23 | First Amendment to Office Sublease by and between MeridianLink, Inc. and Profit Recovery Partners, LLC, dated as of April 21, 2021. | S-1/A | 10.24 | July 19, 2021 |
| 10.24 | Credit Agreement, dated as of November 10, 2021, by and among MeridianLink, Inc., ML California Sub, Inc, the other lenders party thereto, and Bank of America, N.A. | 8-K | 10.1 | November 10, 2021 |
| 10.25† | Amendment No. 1 to Employment Agreement, by and between the MeridianLink, Inc., ML California Sub, Inc, and Timothy Nguyen, dated as of December 23, 2021. | 8-K | 10.1 | December 23, 2021 |
| 10.26† | Employment Agreement, as amended, by and between the Registrant and Sean Blitchok. | 10-K | 10.28 | March 9, 2023 |
| 10.27† | Amended and Restated Employment Agreement, as amended, by and between the Registrant and Chris Maloof. | 10-K | 10.29 | March 9, 2023 |
| 10.28† | Transition Agreement by and between the Registrant and Alan Arnold, dated as of January 9, 2023. | 8-K | 10.1 | January 10, 2023 |
| 10.29 | Conforming Changes Amendment to Credit Agreement, dated as of June 20, 2023, by and among MeridianLink, Inc., ML California Sub, Inc, the other lenders party thereto, and Bank of America, N.A., as administrative agent. | 10-Q | 10.1 | August 4, 2023 |
| 21.1 | Subsidiaries of the Registrant. | — | — | Filed herewith |



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| 23.1 | Consent of BDO USA, P.C. | — | — | Filed herewith |
| 24.1 | Power of Attorney (included on signature page hereto). | — | — | Filed herewith |
| 31.1 | Certification of Principal Executive Officer pursuant to SEC Rule 13a-14(a)/15d-14(a). | — | — | Filed herewith |
| 31.2 | Certification of Principal Financial Officer pursuant to SEC Rule 13a-14(a)/15d-14(a). | — | — | Filed herewith |
| 32.1# | 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. | — | — | Filed herewith |
| 32.2# | 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. | — | — | Filed herewith |
| 97 | Compensation Recovery Policy. | — | — | Filed herewith |
| 101.INS | Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document). | — | — | Filed herewith |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. | — | — | Filed herewith |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. | — | — | Filed herewith |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. | — | — | Filed herewith |





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| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. | — | — | Filed herewith |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. | — | — | Filed herewith |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). | — | — | Filed herewith |

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† Indicates a management contract or any compensatory plan, contract, or arrangement.

# The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report on Form 10-K are deemed "furnished" and not "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act, except to the extent that the Registrant specifically incorporates them by reference.



**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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.

MERIDIANLINK, INC.

Dated: March 9, 2023 March 12, 2024

By: /s/ Nicolaas Vlok
Name: **Nicolaas Vlok**
Title: Chief Executive Officer (Principal Executive Officer)

Dated: March 12, 2024

By: /s/ Sean Blitchok
Name: **Sean Blitchok**
Title: Chief Financial Officer (Principal Financial and Accounting Officer)



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**POWER OF ATTORNEY**

We, the undersigned directors and officers of MeridianLink, Inc., hereby and severally constitute and appoint Nicolaas Vlok, Sean Blitchok, and Kayla Dailey and each of them singly, our true and lawful attorneys, with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, and to file any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of us might or could do in person and hereby ratifying and confirming all that said attorneys and each of them, or their substitutes, shall do or cause to be done by virtue of this Power of Attorney.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.



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| Signature | Title | Date |
| --- | --- | --- |
| /s/ Nicolaas Vlok<br>**Nicolaas Vlok** | Chief Executive Officer and Director (Principal Executive Officer) | March 9, 2023 12, 2024 |
| /s/ Sean Blitchok<br>**Sean Blitchok** | Chief Financial Officer (Principal Financial and Accounting Officer) | March 9, 2023 12, 2024 |
| /s/ Paul Zuber Edward H. McDermott<br>**Paul Zuber Edward H. McDermott** | Chairman Chair of the Board of Directors | March 9, 2023 12, 2024 |
| /s/ A.J. Jangalapalli Cody Cowan<br>**A.J. Jangalapalli Cody Cowan** | Director | March 9, 2023 12, 2024 |
| /s/ Timothy Nguyen<br>**Timothy Nguyen** | Director Chief Strategy Officer and Director | March 9, 2023 12, 2024 |
| /s/ Reema Poddar<br>**Reema Poddar** | Director | March 9, 2023 12, 2024 |
| /s/ A.J. Rohde<br>**A.J. Rohde** | Director | March 9, 2023 12, 2024 |
| /s/ Mark Sachleben<br>**Mark Sachleben** | Director | March 9, 2023 12, 2024 |
| /s/ Duston Williams<br>**Duston Williams** | Director | March 9, 2023 12, 2024 |
| /s/ Yael Zheng<br>**Yael Zheng** | Director | March 9, 2023 12, 2024 |



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**Exhibit 10.1**

# MERIDIANLINK, INC.

# 2021 STOCK OPTION AND INCENTIVE PLAN

## SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the MeridianLink, Inc. 2021 Stock Option and Incentive Plan (as amended from time to time, the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of MeridianLink, Inc. (the "Company") and its Affiliates upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

*"Act"* means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

*"Administrator"* means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

"*Affiliate*" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 of the Act. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

*"Award"* or *"Awards,"* except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights.



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"*Award Certificate*" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

"*Board*" means the Board of Directors of the Company.

"*Cash-Based Award*" means an Award entitling the recipient to receive a cash-denominated payment.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Consultant*" means a consultant or adviser who provides *bona fide* services to the Company or an Affiliate as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the Act.

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"*Dividend Equivalent Right*" means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

"*Effective Date*" means the date on which the Plan becomes effective as set forth in Section 19.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"*Fair Market Value*" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is listed on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), NASDAQ Global Market, The New York Stock Exchange or another national securities exchange or traded on any established market, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations; provided further, however, that if the date



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for which Fair Market Value is determined is the Registration Date, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company's initial public offering.

"*Incentive Stock Option*" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"*Non-Employee Director*" means a member of the Board who is not also an employee of the Company or any Subsidiary.

"*Non-Qualified Stock Option*" means any Stock Option that is not an Incentive Stock Option.

"*Option*" or "*Stock Option*" means any option to purchase shares of Stock granted pursuant to Section 5.

"*Registration Date*" means the date upon which the registration statement on Form S-1 that is filed by the Company with respect to its initial public offering is declared effective by the Securities and Exchange Commission.

"*Restricted Shares*" means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture or the Company's right of repurchase.

"*Restricted Stock Award*" means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Restricted Stock Units*" means an Award of stock units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Sale Event*" means (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the





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sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

"*Sale Price*" means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

"*Section 409A*" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"*Service Relationship*" means any relationship as an employee, director or Consultant of the Company or any Affiliate (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual's status changes from full-time employee to part-time employee or Consultant).

"*Stock*" means the Common Stock, par value $0.001 per share, of the Company, subject to adjustments pursuant to Section 3.

"*Stock Appreciation Right*" means an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

"*Subsidiary*" means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

"*Ten Percent Owner*" means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

"*Unrestricted Stock Award*" means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.



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(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;



(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the forms of Award Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) subject to the provisions of Section 5(c) or Section 6(d), as applicable, to extend at any time the period in which Stock Options and Stock Appreciation Rights may be exercised; and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.



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(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to a committee consisting of one or more officers of the Company, including the Chief Executive Officer (the "CEO") of the Company (the CEO or such committee, as applicable, the "Officer Committee"), all or part of the Administrator's authority and duties with respect to the granting of Awards (the "Delegated Awards") to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not members of the Officer Committee. Any such delegation by the Administrator shall include a limitation as to the amount of Stock underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan. Additionally, in order to evidence the Officer Committee's approval of Delegated Award grants pursuant to any delegation of authority, the Company shall compile a record documenting the Officer Committee's approval of Delegated Award grants. Such record will list the name of each grantee, the type and amount of Delegated Awards approved for grant, the grant date, the vesting schedule for the Delegated Awards and any other non-standard material terms.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.





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(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or afteran Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 13,171,588 shares (the “Initial Limit”), subject to adjustment as provided in this Section 3, plus on January 1, 2022 and each January 1 thereafter, the number of shares of Stock reserved and available for issuance under the Plan shall be cumulatively increased by (i) 5 percent of the number of shares of Stock issued and outstanding on the immediately preceding December 31 or (ii) such lesser number of shares as determined by the Administrator (the “Annual Increase”). Subject to such overall limitation, the maximum aggregate number of shares of Stock that may be issued in the form of Incentive Stock Options shall not exceed the Initial Limit, as cumulatively increased on January 1, 2022 and each January 1 thereafter by the lesser of the Annual Increase for such year or 4,051,727 shares of Stock, subject in all cases to adjustment as provided in Section 3. For purposes of this limitation, the shares of Stock underlying any awards under the Plan that are forfeited, canceled, held back upon exercise of an option or settlement of an award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan and, to the extent permitted under Section 422 of the Code and the regulations promulgated thereunder, the shares of Stock that may be issued as Incentive Stock Options. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types



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of Award. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, cash dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum



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number of shares that may be issued in the form of Incentive Stock Options, (ii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (iv) the exercise price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of shares subject to Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.



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(c) Mergers and Other Transactions. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In such case, except as may be otherwise provided in the relevant Award Certificate, all Awards with time-based vesting, conditions or restrictions shall become fully vested and exercisable or nonforfeitable as of the effective time of the Sale Event, and all Awards with conditions and restrictions relating to the attainment of performance goals may become vested and exercisable or nonforfeitable in connection with a Sale Event in the Administrator's discretion or to the extent specified in the relevant Award Certificate. In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights (provided that, in the case of an Option or Stock Appreciation Right with an exercise price equal to or greater than the Sale Price, such Option or Stock Appreciation Right shall be cancelled for no consideration); or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights (to the extent then exercisable) held by such grantee. The Company shall also have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding other Awards in an amount equal to the Sale Price multiplied by the number of vested shares of Stock under such Awards.

(d) Maximum Awards to Non-Employee Directors. Notwithstanding anything to the contrary in this Plan, the value of all Awards awarded under this Plan and all other cash compensation paid by the Company to any Non-Employee Director in any calendar year for services as a Non-Employee Director shall not exceed $750,000. For the purpose of these limitations, the value of any Award shall be its grant date fair value, as determined in accordance with ASC 718 or successor provision but excluding the impact of estimated forfeitures related to service-based vesting provisions.





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SECTION 4. ELIGIBILITY

Grantees under the Plan will be such employees, Non-Employee Directors or Consultants of the Company and its Affiliates as are selected from time to time by the Administrator in its sole discretion; provided that Awards may not be granted to employees, Directors or Consultants who are providing services only to any "parent" of the Company, as such term is defined in Rule 405 of the Act, unless (i) the stock underlying the Awards is treated as "service recipient stock" under Section 409A or (ii) the Company, in consultation with its legal counsel, has determined that such Awards are exempt from or otherwise comply with Section 409A.

SECTION 5. STOCK OPTIONS

(a) Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date. Notwithstanding the foregoing, Stock Options may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) to individuals who are



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not subject to U.S. income tax on the date of grant or (iii) if the Stock Option is otherwise compliant with Section 409A.

(c) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the Award Certificate:



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(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such



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procedures and enter into such agreements of indemnity and other agreements as the Company shall prescribe as a condition of such payment procedure; or

(iv) With respect to Stock Options that are not Incentive Stock Options, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Award Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation Right is an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.





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(b) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant. Notwithstanding the foregoing, Stock Appreciation Rights may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) to individuals who are not subject to U.S. income tax on the date of grant, or (iii) if the Stock Appreciation Right is otherwise compliant with Section 409A.

(c) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined on the date of grant by the Administrator. The term of a Stock Appreciation Right may not exceed ten years. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock Awards under the Plan. A Restricted Stock Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, if any, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Stock Award is tied to the attainment of performance goals, any dividends paid by the Company during the performance period shall accrue and shall not be paid to the grantee until and to the extent the performance goals are met with respect to the Restricted Stock Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they



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are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, if a grantee's employment (or other Service Relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at their original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other Service Relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder. Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.



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(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Administrator may grant Restricted Stock Units under the Plan. A Restricted Stock Unit is an Award of stock units that may be settled in shares of Stock (or cash, to the extent explicitly provided for in the Award Certificate) upon the satisfaction of



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such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Stock Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Stock Units, to the extent vested, shall be settled in the form of shares of Stock (or cash, to the extent explicitly provided for in the Award Certificate). Restricted Stock Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Stock Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Stock Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Stock Units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Stock Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his or her Restricted Stock Units, subject to the provisions of Section 11 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED STOCK AWARDS



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Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under



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the Plan. An Unrestricted Stock Award is an Award pursuant to which the grantee may receive shares of Stock free of any restrictions under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may grant Cash-Based Awards under the Plan. A Cash-Based Award is an Award that entitles the grantee to a payment in cash upon the attainment of specified performance goals. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash.

SECTION 11. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Stock Units or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend



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reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an Award of Restricted Stock Units shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 12(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.



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(b) Administrator Action. Notwithstanding Section 12(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Stock Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award. In no event may an Award be transferred by a grantee for value.



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(c) Family Member. For purposes of Section 12(b), “family member” shall mean a grantee’s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee’s household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee’s death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee’s estate.

SECTION 13. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amount received thereunder first becomes includable in the gross income of the grantee for income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company’s obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Administrator may require the Company’s tax withholding obligation to be satisfied, in whole or in part, by the Company withholding from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due; provided, however, that the amount withheld does not exceed the maximum statutory tax rate or such lesser amount as is necessary to avoid liability accounting treatment. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includible in income of the grantees. The Administrator may also require the Company’s tax withholding obligation to be satisfied, in whole or in part, by an arrangement whereby a certain number of shares of Stock issued pursuant to any Award are immediately sold and proceeds from such sale are remitted to the Company in an amount that would satisfy the withholding amount due.



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SECTION 14. SECTION 409A AWARDS

Awards are intended to be exempt from Section 409A to the greatest extent possible and to otherwise comply with Section 409A. The Plan and all Awards shall be interpreted in accordance with such intent. To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any 409A Award may not be accelerated except to the extent permitted by Section 409A. The Company makes no representation that any or all of the payments or benefits described in the Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The grantee shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

SECTION 15. TERMINATION OF SERVICE RELATIONSHIP, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Service Relationship. If the grantee's Service Relationship is with an Affiliate and such Affiliate ceases to be an Affiliate, the grantee shall be deemed to have terminated his or her Service Relationship for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of a Service Relationship:

(i) a transfer to the employment of the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another; or



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(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 16. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall materially and adversely affect rights under any outstanding Award without the holder's consent. The Administrator is specifically authorized to exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or effect the repricing of such Awards through cancellation and re-grants. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, Plan amendments shall be subject to approval by Company stockholders. Nothing in this Section 16 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(b) or 3(c).



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SECTION 17. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 18. GENERAL PROVISIONS



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(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Issuance of Stock. To the extent certificated, stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any evidence of book entry or certificates evidencing shares of Stock pursuant to the exercise or settlement of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. Any Stock issued pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate or notations on any book entry to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award, and the Administrator shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional shares, or whether such fractional shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(d) Stockholder Rights. Until Stock is deemed delivered in accordance with Section 18(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.





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(e) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(f) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(g) Clawback Policy. A participant's rights with respect to any Award hereunder shall in all events be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any right that the Company may have under any Company clawback, forfeiture or recoupment policy as in effect from time to time or other agreement or arrangement with a grantee, or (ii) applicable law.

SECTION 19. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon the date immediately preceding the Registration Date following stockholder approval in accordance with applicable state law, the Company's bylaws and articles of incorporation, and applicable stock exchange rules. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of Incentive Stock Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

SECTION 20. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS: July 27, 2021



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**AMENDMENT NO. 1**
**TO THE**
**MERIDIANLINK, INC.**
**2021 STOCK OPTION AND INCENTIVE PLAN**

**WHEREAS**, MeridianLink, Inc. (the "Company") maintains the MeridianLink, Inc. 2021 Stock Option and Incentive Plan (the "Plan"), which was previously adopted by the Board of Directors of the Company (the "Board") and approved by the stockholders of the Company;

**WHEREAS**, the Board has determined that it is in the best interests of the Company to amend the definition of "Sale Event" in the Plan; and

**WHEREAS**, Section 16 of the Plan provides that the Board may amend the Plan at any time, subject to certain conditions set forth therein.

**NOW, THEREFORE**:

1. The definition of "Sale Event" in the Plan is hereby deleted it in its entirety and replaced with the following:

"(a) " '*Sale Event*' means (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, (iv) any transaction or series of transactions whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company or any of its



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Subsidiaries or an employee benefit plan maintained by the Company or any of its Subsidiaries) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing (including any securities beneficially owned by such "person" or "group" immediately prior to such acquisition) all or substantially all of the total combined voting power of the Company's outstanding securities or (v) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company."

2. Effective Date of Amendment. This Amendment to the Plan shall become effective upon approval by the Board.

3. Other Provisions. Except as set forth above, all other provisions of the Plan shall remain unchanged.

IN WITNESS WHEREOF, this Amendment No. 1 to the Plan has been adopted by the Board of Directors of the Company this 6th day of March 2023.

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**INCENTIVE STOCK OPTION AGREEMENT**
**UNDER THE MERIDIANLINK, INC.**
**2021 STOCK OPTION AND INCENTIVE PLAN**



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Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: _____

**[FMV on Grant Date (110% of FMV if a 10% owner)]**

Grant Date: _____

Expiration Date: _____

**[No more than 10 years (5 years if a 10% owner)]**

Pursuant to the MeridianLink, Inc. 2010 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), MeridianLink, Inc. (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.001 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 1 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains in a Service Relationship on such dates:

| Incremental Number of Option Shares Exercisable* | Exercisability Date |
|---|---|
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |

* Max. of $100,000 per yr.



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Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.



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2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; or (iv) a combination of (i), (ii) and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and



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regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the shares of Stock attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.



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3. Termination of Service Relationship. If the Optionee's Service Relationship terminates, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's Service Relationship terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or



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legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's Service Relationship terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's Service Relationship terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment or other service agreement between the Company and the Optionee, a determination by the Administratorthat the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company or a Subsidiary.

(d) Other Termination. If the Optionee's Service Relationship terminates for any reason other than the Optionee's death, the Optionee's disability, or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent



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and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.



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6. Status of the Stock Option. This Stock Option is intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), but the Company does not represent or warrant that this Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of this Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements and that ***this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an "incentive stock option."*** To the extent any portion of this Stock Option does not so qualify as an "incentive stock option," such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day after the grant of this Stock Option, he or she will so notify the Company within 30 days after such disposition.

7. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued to the Optionee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Optionee on account of such transfer.



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8. No Obligation to Continue Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee's Service Relationship and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee's Service Relationship at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.



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11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.



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MERIDIANLINK, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

_____



**NON-QUALIFIED STOCK OPTION AGREEMENT**
**FOR NON-EMPLOYEE DIRECTORS**
**UNDER THE MERIDIANLINK, INC.**
**2021 STOCK OPTION AND INCENTIVE PLAN**



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Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: _____

**[FMV on Grant Date]**

Grant Date: _____

Expiration Date: _____

**[No more than 10 years]**

Pursuant to the MeridianLink, Inc. 2021 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), MeridianLink, Inc. (the "Company") hereby grants to the Optionee named above, who is a Non-Employee Director of the Company but is not an employee of the Company, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.001 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains in a Service Relationship on such dates:

| Incremental Number of Option Shares Exercisable | Exercisability Date |
|---|---|
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |



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Notwithstanding anything to the contrary herein or in the Plan, all outstanding Option Shares shall become fully exercisable upon a Sale Event. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

---

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained



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herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the shares of Stock attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee ceases to have a Service Relationship, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's Service Relationship terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.



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(b) Other Termination. If the Optionee ceases to have a Service Relationship for any reason other than the Optionee's death, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date the Service Relationship terminates, for a period of sixmonths from the date the Optionee ceased to have a Service Relationship or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date the Optionee ceases to have a Service Relationship shall terminate immediately and be of no further force or effect.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue Service Relationship. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to a continued Service Relationship.

7. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

8. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the

Relevant Information. Relevant Information will only be used in accordance with applicable law.



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9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

MERIDIANLINK, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

_____

**NON-QUALIFIED STOCK OPTION AGREEMENT**
**FOR COMPANY EMPLOYEES**
**UNDER THE MERIDIANLINK, INC.**
**2021 STOCK OPTION AND INCENTIVE PLAN**



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Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: _____

**[FMV on Grant Date]**

Grant Date: _____

Expiration Date: _____

**[No more than 10 years]**

Pursuant to the MeridianLink, Inc. 2021 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), MeridianLink, Inc. (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.001 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 1 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains in a Service Relationship on such dates:

| Incremental Number of Option Shares Exercisable | Exercisability Date |
|---|---|
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.



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2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and



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regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the shares of Stock attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee's Service Relationship terminates, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's Service Relationship terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's Service Relationship terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date of termination or until



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the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's Service Relationship terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company or any Subsidiary.

(d) Other Termination. If the Optionee's Service Relationship terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's

lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding



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from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued to the Optionee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Optionee on account of such transfer.

7. No Obligation to Continue Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee's Service Relationship and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee's Service Relationship at any time.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.



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MERIDIANLINK, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

_____

**RESTRICTED STOCK AWARD AGREEMENT**
**UNDER THE MERIDIANLINK, INC.**
**2021 STOCK OPTION AND INCENTIVE PLAN**

Name of Grantee: _____

No. of Shares: _____

Grant Date: _____

Pursuant to the MeridianLink, Inc. 2021 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), MeridianLink, Inc. (the "Company") hereby grants a Restricted Stock Award (an "Award") to the Grantee named above. Upon acceptance of this Award, the Grantee shall receive the number of shares of Common Stock, par value $0.001 per share (the "Stock"), of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan. The Company acknowledges the receipt from the Grantee of consideration with respect to the par



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value of the Stock in the form of cash, past or future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Administrator.

1. Award. The shares of Restricted Stock awarded hereunder shall be issued and held by the Company's transfer agent in book entry form, and the Grantee's name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below. The Grantee shall (i) sign and deliver to the Company a copy of this Award Agreement and (ii) deliver to the Company a stock power endorsed in blank.

2. Restrictions and Conditions.

(a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

(b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

(c) If the Grantee's Service Relationship is voluntarily or involuntarily terminated for any reason (including death) prior to vesting of shares of Restricted Stock granted herein, all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company.

3. Vesting of Restricted Stock. The restrictions and conditions in Paragraph 2 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains in a Service Relationship on such Vesting Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 2 shall lapse only with respect to the number of shares of Restricted Stock specified as vested on such date.



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| Incremental Number of Shares Vested | Vesting Date |
|---|---|
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |

Subsequent to such Vesting Date or Dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. [Notwithstanding anything to the contrary herein or in the Plan, all outstanding shares of Restricted Stock shall become fully vested upon a Sale Event.][1] The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3.

4. Dividends. Dividends on shares of Restricted Stock shall be paid currently to the Grantee.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Transferability. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued or released by the transfer agent, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Grantee on account of such transfer.

8. Election Under Section 83(b). The Grantee and the Company hereby agree that the Grantee may, within 30 days following the Grant Date of this Award, file with the Internal Revenue



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Service and the Company an election under Section 83(b) of the Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

9. No Obligation to Continue Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in

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1 To be included only in director award agreements.

a Service Relationship and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Grantee's Service Relationship at any time.

10. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

11. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.



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MERIDIANLINK, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Grantee's Signature

Grantee's name and address:

_____

_____

_____

**RESTRICTED STOCK UNIT AWARD AGREEMENT**
**FOR NON-EMPLOYEE DIRECTORS**
**UNDER THE MERIDIANLINK, INC.**
**2021 STOCK OPTION AND INCENTIVE PLAN**

Name of Grantee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the MeridianLink, Inc. 2021 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), MeridianLink, Inc. (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.001 per share (the "Stock"), of the Company.



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1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains in a Service Relationship on such Vesting Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

| Incremental Number of Restricted Stock Units Vested | Vesting Date |
|---|---|
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |
| _____ (___%) | _____ |

Notwithstanding anything to the contrary herein or in the Plan, all outstanding Restricted Stock Units shall become fully vested upon a Sale Event. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Service Relationship. If the Grantee's Service Relationship terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.



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4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

7. No Obligation to Continue Service Relationship. Neither the Plan nor this Award confers upon the Grantee any rights with respect to a continued Service Relationship.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the



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Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

MERIDIANLINK, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Grantee's Signature

Grantee's name and address:

_____

_____

_____

**RESTRICTED STOCK UNIT AWARD AGREEMENT**
**FOR COMPANY EMPLOYEES**
**UNDER THE MERIDIAN LINK, INC.**
**2021 STOCK OPTION AND INCENTIVE PLAN**

Name of Grantee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the MeridianLink, Inc. 2021 Stock Option and Incentive Plan, as amended through the date hereof (the "Plan"), MeridianLink, Inc. (the "Company") hereby grants an award of the number



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of Restricted Stock Units listed above (an “Award”) to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.001 per share (the “Stock”), of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains in a Service Relationship on such Vesting Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

| Incremental Number of Restricted Stock Units Vested | Vesting Date |
|---|---|
| _____ (__%) | _____ |
| _____ (__%) | _____ |
| _____ (__%) | _____ |
| _____ (__%) | _____ |

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Service Relationship. If the Grantee’s Service Relationship terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting



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Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued to the Grantee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued to the Grantee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Grantee on account of such transfer.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.

8. No Obligation to Continue Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee’s Service Relationship and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Grantee’s Service Relationship at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain



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agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file

with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

MERIDIANLINK, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Grantee’s Signature

Grantee’s name and address:

_____

_____

_____



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**Exhibit 10.6**

# EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made among Project Angel Parent LLC, a Delaware limited liability company (including its successors and assigns, the "Parent"), MeridianLink, Inc., a California corporation and wholly-owned subsidiary of Parent (including its successors and assigns, the "Company"), and Nicolaas Vlok (the "Executive") and is effective as of the effectiveness of the Parent's Form S-1 Registration Statement with the U.S. Securities and Exchange Commission (the "Effective Date"). Except with respect to the Restrictive Covenants Obligations (as modified herein), the Continuing Obligations, and the Equity Documents (each as defined below), this Agreement supersedes in all respects all prior agreements between the Executive and the Parent, the Company, or MeridianLink, Inc., a Delaware corporation regarding the subject matter herein, including without limitation (i) the Employment Agreement between the Executive and MeridianLink, Inc., a Delaware corporation dated September 8, 2019 (the "Prior Agreement") and (ii) any offer letter, employment agreement or severance agreement.

WHEREAS, the Executive's Prior Agreement is with MeridianLink, Inc., a Delaware corporation, but such reference to MeridianLink, Inc. being a Delaware corporation was a scrivener's error in the Prior Agreement such that the Prior Agreement should have reflected that it was between the Executive and the Company. For purposes of clarity, at all times during the Executive's employment under the Prior Agreement, the Executive's employing entity included the Company.

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

NOW, THEREFORE,in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.



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(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and continuing until such employment is terminated in accordance with the provisions hereof (the "Term"). The Executive's employment with the Company will continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement.

(b) Position and Duties. The Executive shall serve as the Chief Executive Officer ("CEO") and shall have such powers and duties as may from time to time be prescribed by the Parent's Board of Managers or Parent's Board of Directors, as applicable, (the "Board") . The Executive's principal place of employment shall be in the vicinity of Costa Mesa, California, and the Executive understands and agrees that the Executive shall be required to travel from time to time for business purposes. The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may (i) continue to provide services to Thoma Bravo, LLC, its affiliates and/or any other company in which a fund managed by Thoma Bravo, LLC invests, including by serving on the boards of managers or directors of such portfolio companies, (ii) serve on the boards of managers or directors of non-profit organizations and, with the prior written approval of the Board, other for profit companies (other than the portfolio companies of Thoma Bravo, LLC, for which no such prior written approval of the Board shall be required), (iii) participate in charitable, civic,

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educational, professional, community or industry affairs, and (iv) manage the Executive's passive personal investments, in each case, so long as such services and activities are disclosed to the Board and do not interfere or conflict with the Executive's performance of the Executive'sduties to the Company, conflict with any other restrictive covenant to which the Executive is subject or create a potential business or fiduciary conflict. To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company, Parent or any of its or their respective subsidiaries and controlled affiliates upon the termination of the Executive's employment for any reason; provided, however, notwithstanding the foregoing, that (i) Executive shall be permitted to remain a director of the Board upon the mutual agreement of the



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Executive and the remainder of the Board and (ii) nothing contained in this Agreement affects the Executive's status as an operating partner of or from continuing to provide services to Thoma Bravo, LLC, its affiliates (including its affiliated investment funds) and/or any other company in which a fund managed by Thoma Bravo, LLC invests, including by serving on the boards of managers or directors of such other portfolio companies. The Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

2. Compensation and Related Matters.

(a) Base Salary. The Executive's initial base salary shall be paid at the rate of $600,000 per year. The Executive's base salary shall be subject to periodic review bythe Board or the Compensation Committee of the Board (the "Compensation Committee"). The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for executive officers.

(b) Incentive Compensation. The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation shall be eighty-five (85%) percent of the Executive's Base Salary (the "Target Bonus"). The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee. Except as otherwise provided herein, to earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers. In addition, the Executive shall be entitled to use his private aircraft for any business-related travel subject to, and expressly conditioned upon, the Executive's satisfaction of the following requirements: (i) the Company is a named insured and express beneficiary of the Executive's flight insurance policy, which flight insurance policy shall provide for coverage of at least $8,000,000, and the Executive has provided satisfactory evidence of the same to the Company; and (ii) the Executive will be the sole passenger on all such business-related travel and no other passengers, whether or not associated with the Company or the business matter for which the Executive is travelling, shall accompany the Executive or be on any such flight (the foregoing clauses (i) and (ii), the "Reimbursement Requirements"). For so long as Executive is, and has been at all times since the date hereof, in compliance with the Reimbursement Requirements and subject to the presentation of reasonable documentation, the Company shall reimburse the Executive for the expenses incurred as a result of the Executive's use of his private aircraft for business-related travel based on the hourly operating cost thereof, as published by Conklin & deDecker. The Executive expressly acknowledges,



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covenants and agrees that the Company shall not be responsible for, and shall not have any liabilities or obligations with respect to, any tax consequences resulting from the

reimbursement of the Executive's private aircraft use, which shall be the sole responsibility and obligation of the Executive. In the event that any or all of the Reimbursement Requirements are not or have not been met, the Company shall thereafter have the right, in its sole discretion, to revoke and terminate the reimbursement of the Executive's private aircraft use contemplated herein.

(d) Other Benefits; Reimbursement of Health Plan Premiums. The Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Paid Time Off. As of the Effective Date, the Executive shall be entitled to take paid time off in the Executive's reasonable discretion and in accordance with the Company's applicable non-accrual paid time off policy for executives, as may be in effect from time to time. Paid time off that is taken after the Effective Date will reduce any vacation time accrued prior to the Effective Date until the Executive's individual balance of accrued vacation time is exhausted. To the extent the Executive's individual balance of accrued vacation time has not been fully exhausted prior to the ending of Executive's employment, the remainder of the individual balance of accrued vacation will be paid upon termination of employment.

(f) Equity. The equity awards held by the Executive shall continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) containing the terms of such equity awards held by the Executive (collectively, the "Equity Documents"); provided, however, and notwithstanding anything to the contrary in the Equity Documents, Section 6(a)(ii) of this Agreement shall apply in the event of a termination by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below); provided, further, notwithstanding anything to the contrary in the Equity Documents, all restricted stock awards, stock options and other stock-based awards subject to vesting that were granted to the Executive pursuant to the Equity Documents prior to the Effective Date will immediately accelerate and become fully exercisable or nonforfeitable in the event of a Change in Control (as defined below) during the Executive's employment with the Company.

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform the essential functions of the Executive's then existing



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position or positions under this Agreement with or without reasonable accommodation for a period of six (6) consecutive months in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Board or Company shall, submit to the, as applicable, Board or Company a certification in reasonable detail by a physician selected by the Board or Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Board's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law

including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including (A) willful failure or refusal to perform material responsibilities that have been requested by the Board; (B) dishonesty to the Board with respect to any material matter; or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and *de minimis* use of Company property for personal purposes;

(ii) the Executive's indictment or charge for (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(iii) any misconduct by the Executive, regardless of whether or not in the course of the Executive's employment, that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries or affiliates if the Executive were to continue to be employed in the same position;

(iv) continued non-performance by the Executive of substantially all of the Executive's duties hereunder (other than by reason of the Executive's physical or mental illness,



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incapacity or disability) which has continued for more than 30 days following written notice of such non-performance from theBoard;

(v) a willful breach by the Executive of any of the provisions contained in Section 8 of this Agreement or the Restrictive Covenants Obligations (as defined below);

(vi) a material violation by the Executive of any of the Company's written employment policies; or

(vii) the Executive's failure to reasonably cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Board to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination by the Company without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties (including without limitation, and for the avoidance of doubt, if during a Change in Control Period the Executive (i) no longer has at least the same or greater scope of responsibilities, authority, or duties as compared to the Executive's responsibilities, authority, or duties to the Company's operations prior to the Change in Control Period, (ii) no longer reports to the same or equivalent job title as the Executive reported to prior to the Change in Control Period, which materially reduces the Executive's responsibilities, authority, or duties to the Company's operations, or (iii) is assigned any duties materially inconsistent with the Executive's status or role as CEO to the Company's operations prior to the Change in Control Period);

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or



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substantially all senior management employees of the Company, or a failure by the Company to make any payment of compensation when due to the Executive;

(iii) a material change in the geographic location at which the Executive provides services to the Company, such that there is an increase of at least twenty-five (25) miles of driving distance to such location from the Executive's principal residence as of such change; or

(iv) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

(i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;

(iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and

(v) the Executive terminates employment within 60 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive'sauthorized representative or estate) (i) any Base Salary earned through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

4. Notice and Date of Termination.



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(a) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other parties hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Parent and Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e), each outside of the Change in Control Period (as defined below), then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company and Parent, which shall include, without limitation, a general release of claims against the Company, Parent and all related persons and entities, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement and Release"), and (ii) the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release), which, if and as applicable, shall include a seven (7) day revocation period:

(a) the Company shall pay the Executive an amount equal to the sum of (i)twelve (12) months of the Executive's Base Salary, (ii) the amount of any bonus earned in the fiscal year ending prior to the Date of Termination to the extent not previously paid and that would have been paid if the Executive's employment had not been terminated, and (iii) 100% of the Executive's Target Bonus for the then-current year ((i), (ii) and (iii) collectively, the "Severance Amount"); and



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(b) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the twelve (12) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under

COBRA; provided, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under Section 5, to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within 60days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount, to the extent it qualifies as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is within either 3 months before or 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period"). These provisions shall terminate and be of no further force or effect after a Change in Control Period.

(a) if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in



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Section 3(e) and the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the signing of the Separation Agreement and Release by the Executive and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release but in no event more than 60 days after the Date of Termination:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to the sum of (i)twenty-four (24) months of the Executive's then current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) and (ii) the amount of any bonus earned in the fiscal year ending prior to the Date of Termination to the extent not previously paid and that would have been paid if the Executive's employment had not been terminated ((i) and (ii) collectively, the "Change in Control Payment"); and

(ii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all restricted stock awards, stock options and other stock-based awards subject to vesting that are granted immediately on or at any time following the Effective Date held by the Executive (the "Unvested Equity Awards") shall immediately accelerate and become fully exercisable or nonforfeitable as of the later of (i) the Date of Termination or (ii) the Effective Date of the Separation Agreement and Release (the "Accelerated Vesting Date"); *provided* that any termination or forfeiture of the unvested portion of such Unvested Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the Effective Date of the Separation Agreement and Release and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the

Separation Agreement and Release becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the Unvested Equity Awards shall occur during the period between the Executive's Date of Termination and the Accelerated Vesting Date; and

(iii) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the eighteen (18) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under



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COBRA; *provided*, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates. For the avoidance of doubt, the taxable payments described above may be used for any purpose, including, but not limited to, continuation coverage under COBRA.

The amounts payable under this Section 6(a), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; *provided*, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).



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(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 6, the following terms shall have the following meanings:

"Change in Control" shall mean any of the following: (i) the sale of all or substantially all of the assets of the Parent on a consolidated basis to an unrelated person or entity (or group of persons or entities acting in concert), other than Thoma Bravo, LLC and its investment funds and affiliates (collectively, "*TB*"), (ii) a merger, reorganization or consolidation pursuant to which an unrelated person or entity (or group of persons or entities acting in concert), other than TB, acquires shares of capital stock of the Parent (y) possessing the voting power to elect a majority of the Board or (z) representing more than fifty percent (50%) of the issued and outstanding shares of capital stock of the Parent, (iii) the sale of more than fifty percent (50%) of the issued and outstanding shares of capital stock of the Parent to an unrelated person or entity (or group of persons or entities acting in concert), other than TB, or (iv) any other transaction other than a Public Sale (as hereinafter defined) in which the owners of the Parent's outstanding voting power immediately prior to such transaction do not, directly or indirectly, own at least a majority of the outstanding voting power of the Parent or any successor entity (or its ultimate parent, if applicable) immediately following completion of the transaction other than as a result of the acquisition of securities directly from the Parent, excluding, in the case of each of clauses (ii), (iii) and (iv), the issuance of securities by the Parent in a financing transaction approved by the Board. "Public Sale" means any sale pursuant to a registered public offering under the Securities Act or any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker.



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7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up

payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement



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is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Restrictive Covenants Obligations. Notwithstanding that the Prior Agreement is superseded, the Executive's confidentiality, assignment of inventions, non-competition, non-solicitation, and non-disparagement obligations in the Prior Agreement (collectively, the "Restrictive Covenants Obligations"), attached hereto as Exhibit A, continue to be in full force and effect and are incorporated by reference herein; provided, however, and notwithstanding the foregoing, any non-competition, no hire, and non-solicitation of customers or other business relations obligations in Exhibit A will not be in effect following the end of the Executive's employment; provided, further, that any obligation to assign inventions shall not apply to any invention that a court rules falls within the class of invention set forth in Exhibit B. For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Restrictive Covenants Obligations and any other confidentiality, assignment of inventions, or other restrictive covenants obligations shall collectively be referred to as the "Continuing Obligations."

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company and Parent that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company or Parent any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.



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(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company or Parent which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company or Parent at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(c).

(d) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Continuing Obligations, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of the Continuing Obligations, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

(e) Protected Disclosures and Other Protected Action. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "Government Agency") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing contained in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement or the Restrictive Covenants Obligations for the disclosure of 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;



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or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the state and federal courts of theState of California. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

10. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including without limitation the Prior Agreement, provided that the Restrictive Covenants Obligations (as modified herein), the Continuing Obligations, and the Equity Documents remain in full force and effect.

11. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company or Parent to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

12. Assignment. The parties to this Agreement may not make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other parties; provided, however, that the Company or Parent may assign its rights and obligations under this Agreement (including the Restrictive Covenants Obligations) without the Executive's consent to any affiliate or to any person or entity with whom the Company or Parent shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets; provided further that if the Executive remains employed or becomes employed by the Company, Parent, the purchaser or any of their affiliates in connection with any such transaction then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 5 or pursuant to Section 6 of this Agreement. This Agreement shall inure to the benefit of and be binding upon the Executive, the Company, and the Parent, and each of the Executive's, the Company's, and the Parent's respective successors, executors, administrators, heirs and permitted assigns.

13. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared



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illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

15. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

16. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to (i) in the case of the Executive, at the last address the Executive has filed in writing with the Company; (ii) in the case of the Company, at its main offices, attention of the Board; or (iii) in the case of the Parent, at its main offices, attention of the Board.

17. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Parent.

18. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

19. Governing Law; Payments. This is a California contract and shall be construed under and be governed in all respects by the laws of the State of California without giving effect to the conflict of laws principles thereof. With respect to any disputes concerning federal law, such disputes shall be



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determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Ninth Circuit.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the "Effective Date."

**PROJECT ANGEL PARENT LLC**

By: /s/

Its:

**MERIDIANLINK, INC.**

By: /s/

Its:

**NICOLAAS VLOK**

/s/

Nicolaas Vlok

**AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT**



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This Amendment No. 1 (this "Amendment") to the Employment Agreement among Project Angel Parent LLC, a Delaware limited liability company (including its successors and assigns, the "Parent"), MeridianLink, a California corporation and wholly-owned subsidiary of the Parent (including its successors and assigns, the "Subsidiary"), and Nicolaas Vlok (the "Executive") effective as of the effectiveness of the Parent's Form S-1 Registration Statement with the U.S. Securities and Exchange Commission (the "Employment Agreement") is effective as of March 9, 2023. All capitalized terms used herein but not otherwise defined shall have the meaning given to such terms in the Employment Agreement.

**WHEREAS**, on July 27, 2021, the Parent converted from a Delaware limited liability company into a Delaware corporation and changed its name to MeridianLink, Inc., and the Subsidiary changed its name to ML California Sub, Inc (including its successors and assigns, the "Company").

**WHEREAS**, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions of the Employment Agreement as amended by this Amendment.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby amend the Employment Agreement as follows:

1. Section 6(c) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

> (c). Definitions. For purposes of this Section 6, the following terms shall have the following meanings:
>
> "Change in Control" shall mean "Sale Event," as defined in the MeridianLink, Inc. 2021 Stock Option and Incentive Plan, as amended."

2. Except as so amended, the Employment Agreement is in all other respects hereby confirmed.

3. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

*[Signature Page Follows]*



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**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the date first above written.

**MERIDIANLINK, INC.**

By: /s/

Name:

Title:

**ML CALIFORNIA SUB, INC**

By: /s/

Name:

Title:

/s/

Nicolaas Vlok



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**Exhibit 10.28**

# EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made between MeridianLink, Inc., a Delaware corporation (including its successors and assigns, the "Company"), and Sean Blitchok (the "Executive") and is effective as of May 25, 2022 (the "Effective Date").

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Executive's employment will begin on June 13, 2022, or on a date to be mutually agreed to by the Executive and the Company. For purposes of this Agreement, the actual first day of the Executive's employment with the Company shall be referred to as the "Start Date." The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Start Date and continuing until such employment is terminated in accordance with the provisions hereof (the "Term"). The Executive's employment with the Company will be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement.

(b) Position and Duties. The Executive shall serve as the Chief Financial Officer and shall have such powers and duties consistent with that role as may from time to time be prescribed by the Chief Executive Officer (the "CEO"). The Executive's principal place of employment shall be in the vicinity of her home residence in San Jose, California, and the Executive understands and agrees that the Executive shall be required to travel from time to time for business purposes. The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Company's Board of Directors, as applicable, (the "Board"), or engage in religious, charitable or other community activities as long as such services



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and activities are disclosed to the Board and do not interfere with the Executive's performance of the Executive's duties to the Company. To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its or their respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason. The Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

2. Compensation and Related Matters.

(a) Base Salary. The Executive's initial base salary shall be paid at the rate of $440,000 per year. The Executive's base salary shall be subject to periodic review by the Board or the Compensation Committee of the Board (the "Compensation Committee"). The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for executive officers.

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(b) Target Bonus. The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation shall be seventy-five percent (75%) of the Executive's Base Salary (the "Target Bonus"); provided however, that such Target Bonus will be prorated for the first year based on Executive's start date. The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee. Except as otherwise provided herein, to earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid.

(c) Annual Performance-Based Compensation. During the Term, the Executive shall be eligible to receive annual performance-based compensation under the Company's Incentive Plan as may be in effect from time to time based on the attainment of one or more performance-based goals established by the CEO, Board and/or its Compensation Committee, at its sole discretion. The amount of the Executive's annual performance-based compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee. To earn the annual performance-based compensation, the Executive must be employed by the Company on the day such annual performance-based compensation is paid.



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(d) Signing Bonus. The Company will pay the Executive a signing bonus in the amount of $350,000 (the "Signing Bonus") within thirty (30) days following the Start Date, subject to the Executive's continued employment with the Company as of such date; provided that if the Executive's employment is terminated by the Company for Cause (as defined below) or by the Executive for any reason within six (6) months of the Start Date, the Executive will repay the Signing Bonus in full to the Company; provided further that if the Executive's employment is terminated by the Company for Cause or by the Executive for any reason after 6 months from the Start Date but prior to the one year anniversary of the Start Date, the Executive will repay seventy-five percent (75%) of the Signing Bonus to the Company; provided further that if the Executive's employment is terminated by the Company for Cause or by the Executive on or after the one year anniversary of the Start Date and prior eighteen (18) months of the Start Date, the Executive will repay fifty percent (50%) of the Signing Bonus to the Company; provided further that if the Executive's employment is terminated by the Company for Cause or by the Executive on or after eighteen (18) months of the Start Date and prior to the two year anniversary of the Start Date, the Executive will repay twenty-five percent (25%) of the Signing Bonus to the Company. The Executive agrees to make such repayment in accordance with this section within ten (10) days after the Date of Termination (as defined below).

(e) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(f) Other Benefits. The Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(g) Paid Time Off. The Executive shall be entitled to take paid time off in the Executive's reasonable discretion and in accordance with the Company's applicable non-accrual paid time off policy for executives, as may be in effect from time to time.

(h) Equity. The Executive will receive a new hire equity grant under the MeridianLink, Inc. 2021 Stock Option and Incentive Plan, subject to approval by the Board in its sole discretion. in an amount equivalent to $5,200,000, and such grant will consist of 25% stock options and 75% restricted stock units that will vest over 4 years. This equity grant and all future equity awards provided to the Executive shall be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) containing the terms of such equity awards to held by the Executive (collectively, the "Equity Documents"); provided, however, and notwithstanding anything to the contrary in the Equity Documents, Section 6(a)(ii) of this Agreement shall apply in the event of a termination by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below).

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon death.



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(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of six (6) consecutive months in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including (A) willful failure or refusal to perform material responsibilities that have been requested by the CEO; (B) dishonesty to the CEO with respect to any material matter; or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and *de minimis* use of Company property for personal purposes;

(ii) the commission by the Executive of acts satisfying the elements of (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(iii) any misconduct by the Executive, regardless of whether or not in the course of the Executive's employment, that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries or affiliates if the Executive were to continue to be employed in the same position;

(iv) continued non-performance by the Executive of substantially all of the Executive's duties hereunder (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days following written notice of such non-performance from the CEO;

(v) a willful breach by the Executive of any of the provisions contained in Section 8 of this Agreement or the Restrictive Covenants Obligations (as defined below);



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(vi) a material violation by the Executive of any of the Company's written employment policies; or

(vii) the Executive's failure to reasonably cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination by the Company without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties (including without limitation, and for the avoidance of doubt, if during a Change in Control Period the Executive (i) no longer has at least the same or greater scope of responsibilities, authority, or duties as compared to the Executive's responsibilities, authority, or duties to the Company's operations prior to the Change in Control Period, (ii) no longer reports to the same or equivalent job title as the Executive reported to prior to the Change in Control Period, which materially reduces the Executive's responsibilities, authority, or duties to the Company's operations, or (iii) is assigned any duties materially inconsistent with the Executive's status or role as Chief Financial Officer prior to the Change in Control Period);

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company, or a failure by the Company to make any payment of compensation when due to the Executive;

(iii) a material change in the geographic location at which the Executive provides services to the Company, such that there is an increase of at least twenty-five (25) miles of driving distance to such location from the Executive's principal residence as of such change; or

(iv) a material breach of this Agreement by the Company.



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The "Good Reason Process" consists of the following steps:

(i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;

(iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and

(v) the Executive terminates employment within 60 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(e) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

4. Notice and Date of Termination.

(a) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other parties hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is

terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period.



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Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e), each outside of the Change in Control Period (as defined below), then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement and Release"), and (ii) the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release), which, if and as applicable, shall include a seven (7) day revocation period:

(a) the Company shall pay the Executive an amount equal to the sum of (i) twelve (12) months of the Executive's Base Salary, (ii) the amount of any bonus earned in the fiscal year ending prior to the Date of Termination to the extent not previously paid and that would have been paid if the Executive's employment had not been terminated, and (iii) a pro-rated amount (pro-rated based on the number of days elapsed during the fiscal year in which the Executive's Date of Termination occurs) of the Executive's Target Bonus for the fiscal year in which the Date of Termination occurs ((i), (ii) and (iii) collectively, the "Severance Amount"); and

(b) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the twelve (12) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under COBRA; provided, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under Section 5, to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within 60 days after the



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Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is within either 3 months before or 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period"). These provisions shall terminate and be of no further force or effect after a Change in Control Period.

(a) if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the signing of the Separation Agreement and Release by the Executive and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release but in no event more than 60 days after the Date of Termination:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to the sum of (i) eighteen (18) months of the Executive's then-current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) and (ii) the amount of any bonus earned in the fiscal year ending prior to the Date of Termination to the extent not previously paid and that would have been paid if the Executive's employment had not been terminated ((i) and (ii) collectively, the "Change in Control Payment"); and

(ii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all restricted stock awards, stock options and other stock-based awards subject to vesting that are granted immediately on or at any time following the Start Date held by the Executive (the "Unvested Equity Awards") shall immediately accelerate and become fully exercisable or nonforfeitable as of the later of (i) the Date of Termination or (ii) the effective date of the Separation Agreement and Release (the "Accelerated Vesting Date"): *provided* that any termination or forfeiture of the unvested portion of such Unvested Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the effective date of the Separation Agreement and Release and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period



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set forth therein. Notwithstanding the foregoing, no additional vesting of the Unvested Equity Awards shall occur during the period between the Executive's Date of Termination and the Accelerated Vesting Date; and

(iii) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the eighteen (18) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under COBRA; *provided*, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates. For the avoidance of doubt, the taxable payments described above may be used for any purpose, including, but not limited to, continuation coverage under COBRA.

The amounts payable under this Section 6(a), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; *provided*, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from



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consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and

employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 6, the following terms shall have the following meanings:

"Change in Control" shall mean any of the following: (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity (or group of persons or entities acting in concert), other than Thoma Bravo, LLC and its investment funds and affiliates (collectively, "TB"), (ii) a merger, reorganization or consolidation pursuant to which an unrelated person or entity (or group of persons or entities acting in concert), other than TB, acquires shares of capital stock of the Company (y) possessing the voting power to elect a majority of the Board or (z) representing more than fifty percent (50%) of the issued and outstanding shares of capital stock of the Company, (iii) the sale of more than fifty percent (50%) of the issued and outstanding shares of capital stock of the Company to an unrelated person or entity (or group of persons or entities acting in concert), other than TB, or (iv) any other transaction other than a Public Sale (as hereinafter defined) in which the owners of the Company's outstanding voting power immediately prior to such transaction do not, directly or indirectly, own at least a majority of the outstanding voting power of the Company or any successor entity (or its ultimate company, if applicable) immediately following completion of the transaction other than as a result of the acquisition of securities directly from the Company, excluding, in the case of each of clauses (ii), (iii) and (iv), the issuance of securities by the Company in a financing transaction approved by the Board. "Public Sale" means any sale pursuant to a registered public offering under the Securities Act or any sale



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to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in- kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-l(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.



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(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Restrictive Covenants Obligations. The confidentiality, assignment of inventions, non-competition, non-solicitation, and non-disparagement obligations (collectively, the "Restrictive Covenants Obligations"), attached hereto as Exhibit A are incorporated by reference herein. For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Restrictive Covenants Obligations and any other confidentiality, assignment of inventions, or other restrictive covenants obligations shall collectively be referred to as the "Continuing Obligations."

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(c).



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(d) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Continuing Obligations, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of the Continuing Obligations, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

(e) Protected Disclosures and Other Protected Action. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "Government Agency") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing contained in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. Further, nothing contained in this Agreement or the Restrictive Covenants Obligations prevents the Executive from discussing or disclosing information about unlawful acts in the workplace such as harassment or discrimination or any other conduct that the Executive has reason to believe is unlawful. In addition, for

the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement or the Restrictive Covenants Obligations for the disclosure of 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.

9. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the state and federal courts of the State of California. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

10. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter; provided, however, this Agreement supplements and does not supersede any other confidentiality, assignment of inventions or restrictive covenant agreement between the Company and the Executive.

11. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax-related deductions and withholdings. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.



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12. Assignment. The parties to this Agreement may not make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other parties; provided, however, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenants Obligations) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets; provided further that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 5 or pursuant to Section 6 of this Agreement. This Agreement shall inure to the benefit of and be binding upon the Executive, the Company, and each of the Executive's, and the Company's respective successors, executors, administrators, heirs and permitted assigns.

13. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

15. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

16. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to (i) in the case of the Executive, at the last address the Executive has filed in writing with the Company; (ii) in the case of the Company, at its main offices, attention of the Board.

17. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

18. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the



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Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

19. Governing Law; Payments. This is a California contract and shall be construed under and be governed in all respects by the laws of the State of California without giving effect to the conflict of laws principles thereof. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Ninth Circuit.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the “Effective Date.”

**MERIDIANLINK, INC.**

/s/

By: Nicolaas Vlok

Its: Chief Executive Officer

**EXECUTIVE**

/s/

**AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT**



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This Amendment No. 1 (this "Amendment") to the Employment Agreement between MeridianLink, Inc., a Delaware corporation (including its successors and assigns, the "Company"), and Sean Blitchok (the "Executive") effective as of May 25, 2022 (the "Employment Agreement") is effective as of March 9, 2023. All capitalized terms used herein but not otherwise defined shall have the meaning given to such terms in the Employment Agreement.

**WHEREAS**, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions of the Employment Agreement as amended by this Amendment.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby amend the Employment Agreement as follows:

1. Section 6(c) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

   (c). Definitions. For purposes of this Section 6, the following terms shall have the following meanings:

   "Change in Control" shall mean "Sale Event," as defined in the MeridianLink, Inc. 2021 Stock Option and Incentive Plan, as amended."

2. Except as so amended, the Employment Agreement is in all other respects hereby confirmed.

3. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

*[Signature Page Follows]*



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**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the date first above written.

**MERIDIANLINK, INC.**

By: /s/

Name:

Title:

/s/

Sean Blitchok

*[Signature Page to the Amendment No. 1 to the Employment Agreement]*

**Exhibit 10.29**

## AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement ("Agreement") is made between MeridianLink, Inc., a Delaware corporation (including its successors and assigns, the "Company"), and Christopher Maloof (the "Executive") and is effective as of June 15, 2022 (the "Effective Date"). Except with respect to the Restrictive Covenants Obligations, the Continuing Obligations, and the Equity Documents (each as defined below), this Agreement supersedes in all respects all prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation (i) the Employment Agreement between the Executive, Project Angel Parent LLC and the



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Company (the "Prior Agreement") and (ii) any offer letter, employment agreement or severance agreement.

WHEREAS, prior to the Effective Date, the Executive was the Company's Chief Product Officer and employed pursuant to the terms of the Prior Agreement.

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

WHEREAS, the Executive agrees that nothing herein or otherwise constitutes Good Reason, or a termination of employment, for purposes of the Prior Agreement.

NOW, THEREFORE,in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and continuing until such employment is terminated in accordance with the provisions hereof (the "Term"). The Executive's employment with the Company will continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement.

(b) Position and Duties. The Executive shall serve as the President, Go To Market and shall have such powers and duties as may from time to time be prescribed by the Chief Executive Officer (the "CEO"). The Executive's principal place of employment shall be in the vicinity of Costa Mesa, California, and the Executive understands and agrees that the Executive shall be required to travel from time to time for business purposes. The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Company's Board of Directors, as applicable, (the "Board"), or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and do not interfere with the Executive's performance of the Executive'sduties to the Company. To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its subsidiaries and affiliates upon the termination of the Executive's employment for any reason. The Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.



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2. Compensation and Related Matters.

(a) Base Salary. The Executive's initial base salary shall be paid at the rate of $486,000 per year. The Executive's base salary shall be subject to periodic review bythe Board or the Compensation Committee of the Board (the "Compensation Committee"). The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for executive officers.

(b) Incentive Compensation. The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation shall be seventy-five percent (75%) of the Executive's Base Salary (the "Target Bonus"). The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee. Except as otherwise provided herein, to earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. The Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Paid Time Off. The Executive shall be entitled to take paid time off in the Executive's reasonable discretion and in accordance with the Company's applicable non-accrual paid time off policy for executives, as may be in effect from time to time.

(f) Equity. Subject to approval by the Board in its sole discretion, the Executive will receive an equity grant under the MeridianLink, Inc. 2021 Stock Option and Incentive Plan in an



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amount equivalent to $3,859,000 (the "Equity Grant"), and the Equity Grant will consist of 25% stock options and 75% restricted stock units that will vest over four (4) years. The Equity Grant and all other equity awards held by the Executive shall be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) containing the terms of such equity awards held by the Executive (collectively, the "Equity Documents"); provided, however, and notwithstanding anything to the contrary in the Equity Documents, Section 6(a)(ii) of this Agreement shall apply in the event of a termination by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below); provided, further, notwithstanding anything to the contrary in the Equity Documents, all restricted stock awards, stock options and other stock-based awards subject to vesting that were granted to the Executive pursuant to the Equity Documents prior to the Effective Date of the Prior Agreement will immediately accelerate and become fully exercisable or nonforfeitable in the event of a Change in Control (as defined below) during the Executive's employment with the Company.

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of six (6) consecutive months in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the, as applicable, Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:



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(i) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including (A) willful failure or refusal to perform material responsibilities that have been requested by the CEO; (B) dishonesty to the CEO with respect to any material matter; or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and *de minimis* use of Company property for personal purposes;

(ii) the commission by the Executive of acts satisfying the elements of (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(iii) any misconduct by the Executive, regardless of whether or not in the course of the Executive's employment, that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries or affiliates if the Executive were to continue to be employed in the same position;

(iv) continued non-performance by the Executive of substantially all of the Executive's duties hereunder (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days following written notice of such non-performance from the CEO;

(v) a willful breach by the Executive of any of the provisions contained in Section 8 of this Agreement or the Restrictive Covenants Obligations (as defined below);

(vi) a material violation by the Executive of any of the Company's written employment policies; or

(vii) the Executive's failure to reasonably cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of

others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination by the Company without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.



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(e) Termination by the Executive. The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties (including without limitation, and for the avoidance of doubt, if during a Change in Control Period the Executive (i) no longer has at least the same or greater scope of responsibilities, authority, or duties as compared to the Executive's responsibilities, authority, or duties to the Company's operations prior to the Change in Control Period, (ii) no longer reports to the same or equivalent job title as the Executive reported to prior to the Change in Control Period, which materially reduces the Executive's responsibilities, authority, or duties to the Company's operations, or (iii) is assigned any duties materially inconsistent with the Executive's status or role as President, Go To Market to the Company's operations prior to the Change in Control Period);

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company, or a failure by the Company to make any payment of compensation when due to the Executive;

(iii) a material change in the geographic location at which the Executive provides services to the Company, such that there is an increase of at least twenty-five (25) miles of driving distance to such location from the Executive's principal residence as of such change; or

(iv) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

(i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;



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(iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and

(v) the Executive terminates employment within 60 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive'sauthorized representative or estate) (i) any Base Salary earned through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

4. Notice and Date of Termination.

(a) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other parties hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.



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5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e), each outside of the Change in Control Period (as defined below), then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement and Release"), and (ii) the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release), which, if and as applicable, shall include a seven (7) day revocation period:

(a) the Company shall pay the Executive an amount equal to the sum of (i)twelve (12) months of the Executive's Base Salary, (ii) the amount of any bonus earned in the

fiscal year ending prior to the Date of Termination to the extent not previously paid and that would have been paid if the Executive's employment had not been terminated, and (iii) a pro-rated amount (pro-rated based on the number of days elapsed during the fiscal year in which the Executive's Date of Termination occurs) of the Executive's Target Bonus for the fiscal year in which the Date of Termination occurs ((i), (ii) and (iii) collectively, the "Severance Amount"); and

(b) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the twelve (12) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under COBRA; provided, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.



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The amounts payable under Section 5, to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within 60days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount, to the extent it qualifies as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is within either 3 months before or 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period"). These provisions shall terminate and be of no further force or effect after a Change in Control Period.

(a) if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the signing of the Separation Agreement and Release by the Executive and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release but in no event more than 60 days after the Date of Termination:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to the sum of (i)eighteen (18) months of the Executive's then current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in

Control, if higher) and (ii) the amount of any bonus earned in the fiscal year ending prior to the Date of Termination to the extent not previously paid and that would have been paid if the Executive's employment had not been terminated ((i) and (ii) collectively, the "Change in Control Payment"); and

(ii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all restricted stock awards, stock options and other



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stock-based awards subject to vesting that were or are granted immediately on or at any time following the "Effective Date" as defined in the Prior Agreement held by the Executive including without limitation the Equity Option as defined above in this Agreement (collectively, the "Unvested Equity Awards") shall immediately accelerate and become fully exercisable or nonforfeitable as of the later of (i) the Date of Termination or (ii) the Effective Date of the Separation Agreement and Release (the "Accelerated Vesting Date"); *provided* that any termination or forfeiture of the unvested portion of such Unvested Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the Effective Date of the Separation Agreement and Release and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the Unvested Equity Awards shall occur during the period between the Executive's Date of Termination and the Accelerated Vesting Date; and

(iii) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the eighteen (18) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under COBRA; *provided*, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates. For the avoidance of doubt, the taxable payments described above may be used for any purpose, including, but not limited to, continuation coverage under COBRA.

The amounts payable under this Section 6(a), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; *provided*, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.



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(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable

pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or



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the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 6, the following terms shall have the following meanings:

"Change in Control" shall mean any of the following: (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity (or group of persons or entities acting in concert), other than Thoma Bravo, LLC and its investment funds and affiliates (collectively, "*TB*"), (ii) a merger, reorganization or consolidation pursuant to which an unrelated person or entity (or group of persons or entities acting in concert), other than TB, acquires shares of capital stock of the Company (y) possessing the voting power to elect a majority of the Board or (z) representing more than fifty percent (50%) of the issued and outstanding shares of capital stock of the Company, (iii) the sale of more than fifty percent (50%) of the issued and outstanding shares of capital stock of the Company to an unrelated person or entity (or group of persons or entities acting in concert), other than TB, or (iv) any other transaction other than a Public Sale (as hereinafter defined) in which the owners of the Company's outstanding voting power immediately prior to such transaction do not, directly or indirectly, own at least a majority of the outstanding voting power of the Company or any successor entity (or its ultimate parent, if applicable) immediately following completion of the

transaction other than as a result of the acquisition of securities directly from the Company, excluding, in the case of each of clauses (ii), (iii) and (iv), the issuance of securities by the Company in a financing transaction approved by the Board. "Public Sale" means any sale pursuant to a registered public offering under the Securities Act or any sale to the public pursuant to Rule 144 promulgated under the Securities Act effected through a broker, dealer or market maker.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid



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during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Restrictive Covenants Obligations. Notwithstanding that the Prior Agreement is superseded, the Executive's confidentiality, assignment of inventions, non-competition, non-solicitation,



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and non-disparagement obligations that were attached as Exhibit A to the Prior Agreement (collectively, the "Restrictive Covenants Obligations"), and are attached hereto as Exhibit A, continue to be in full force and effect and are incorporated by reference herein; provided, however, and notwithstanding the foregoing, the non-competition and non-solicitation of customers and other Restricted Business Relation (as defined in the Restrictive Covenants Obligations) obligations will not be in effect following the end of the Executive's employment. For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Restrictive Covenants Obligations and any other confidentiality, assignment of inventions, or other restrictive covenants obligations shall collectively be referred to as the "Continuing Obligations."

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(c).

(d) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Continuing



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Obligations, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of the Continuing Obligations, the Company shall be entitled, in

addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

(e) Protected Disclosures and Other Protected Action. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "Government Agency") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing contained in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. Further, nothing contained in this Agreement or the Restrictive Covenants Obligations prevents the Executive from discussing or disclosing information about unlawful acts in the workplace such as harassment or discrimination or any other conduct that the Executive has reason to believe is unlawful. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement or the Restrictive Covenants Obligations for the disclosure of 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.

9. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the state and federal courts of theState of California. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

10. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including without limitation the Prior Agreement, provided that the Restrictive Covenants Obligations, the Continuing Obligations, and the Equity Documents remain in full force and effect.



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11. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

12. Assignment. The parties to this Agreement may not make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other parties; provided, however, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenants Obligations) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets; provided further that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 5 or pursuant to Section 6 of this Agreement. This

Agreement shall inure to the benefit of and be binding upon the Executive, the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns.

13. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

15. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.



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16. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to (i) in the case of the Executive, at the last address the Executive has filed in writing with the Company; or (ii) in the case of the Company, at its main offices, attention of the Board.

17. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company (other than the Executive).

18. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

19. Governing Law; Payments. This is a California contract and shall be construed under and be governed in all respects by the laws of the State of California without giving effect to the conflict of laws principles thereof. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Ninth Circuit.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Employment Agreement effective on the "Effective Date."



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**MERIDIANLINK, INC.**

/s/

By: Nicolaas Vlok

Its: Chief Executive Officer

**CHRISTOPHER MALOOF**

/s/

Christopher Maloof

## AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT

This Amendment No. 1 (this "Amendment") to the Employment Agreement between MeridianLink, Inc., a Delaware corporation (including its successors and assigns, the "Company"), and Christopher Maloof (the "Executive") effective as of June 15, 2022 (the "Employment Agreement") is effective as of March 9, 2023. All capitalized terms used herein but not otherwise defined shall have the meaning given to such terms in the Employment Agreement.

**WHEREAS**, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions of the Employment Agreement as amended by this Amendment.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby amend the Employment Agreement as follows:

1. Section 6(c) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:



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(c). Definitions. For purposes of this Section 6, the following terms shall have the following meanings:

"Change in Control" shall mean "Sale Event," as defined in the MeridianLink, Inc. 2021 Stock Option and Incentive Plan, as amended."

2. Except as so amended, the Employment Agreement is in all other respects hereby confirmed.

3. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

*[Signature Page Follows]*

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**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the date first above written.



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**MERIDIANLINK, INC.**

By: /s/

Name:

Title:

/s/

Christopher Maloof

*[Signature Page to the Amendment No. 1 to the Employment Agreement]* 125

**Exhibit 21.1**

**Subsidiaries of the Registrant**



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| Entity | Jurisdiction of Incorporation or Organization |
|---|---|
| Beanstalk Networks Acquisition LLC | Florida |
| Beanstalk Networks L.L.C. | Florida |
| Decision Assist LLC | Florida |
| ML California Sub, Inc | California |
| MeridianLink Wholesale Data, LLC | Delaware |
| ML East Acquisition Subsidiary, Inc. | Florida |
| Professional Credit Reporting, Inc. | California |
| Project Angel Holdings, LLC | Delaware |
| Project Angel Intermediate Holdings, LLC | Delaware |
| Saylent Technologies, Inc. | Delaware |
| StreetShares, Inc. | Delaware |
| StreetShares Public Investor Holdings, LLC | Delaware |
| STR Co-Investment, LLC | Delaware |
| Teledata Communications, Inc. | New York |

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

MeridianLink, Inc.
Costa Mesa, California

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 333-258206, 333-263429, and 333-263429) 333-270415) of MeridianLink, Inc. of our report dated March 9, 2023 March 12, 2024, relating to the consolidated financial statements, which appears in this Form 10-K.

/s/ BDO USA, LLP P.C.

Costa Mesa, California
March 9, 2023 12, 2024



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**Exhibit 31.1**

**Certification of Principal Executive Officer**
**Pursuant to SEC Rule 13a-14(a)/15d-14(a)**

I, Nicolaas Vlok, certify that:

1. I have reviewed this annual report on Form 10-K of MeridianLink, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or



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persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 9, 2023 12, 2024

/s/ Nicolaas Vlok
Name: Nicolaas Vlok
Title: President and Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**Certification of Principal Financial Officer**
**Pursuant to SEC Rule 13a-14(a)/15d-14(a)**

I, Sean Blitchok, certify that:

1. I have reviewed this annual report on Form 10-K of MeridianLink, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its



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consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 9, 2023 12, 2024

/s/ Sean Blitchok
Name: Sean Blitchok
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

**Exhibit 32.1**

**Certification of Principal Executive Officer**



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**Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code,**
**as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report on Form 10-K of MeridianLink, Inc. (the "Company") for the period ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, Nicolaas Vlok, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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.

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicolaas Vlok
Name: Nicolaas Vlok
Title: President and Chief Executive Officer
(Principal Executive Officer)
March 9, 2023 12, 2024

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

**Exhibit 32.2**

**Certification of Principal Financial Officer**
**Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code,**
**as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report on Form 10-K of MeridianLink, Inc. (the "Company") for the period ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, Sean


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Blitchok, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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.

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Sean Blitchok
Name: Sean Blitchok
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)
March 9, 2023 12, 2024

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification is being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

**Exhibit 97**

## MERIDIANLINK, INC.

## COMPENSATION RECOVERY POLICY

This Compensation Recovery Policy (the "**Policy**") of MeridianLink, Inc. (the "**Company**") sets forth the circumstances and procedures under which the Company shall recover Erroneously Awarded Compensation from Covered Persons (as defined below) in accordance with rules issued by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the New York Stock Exchange (the "**NYSE**"). Please refer to Section II below for definitions of capitalized terms used and not otherwise defined herein.



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## I. Compensation Recovery Requirement

In the event the Company is required to prepare a Financial Restatement, the Company shall reasonably promptly recover all Erroneously Awarded Compensation with respect to such Financial Restatement.

## II. Definitions

a. "**Applicable Recovery Period**" means the three completed fiscal years immediately preceding the Restatement Date for a Financial Restatement. In the event the Company has changed its fiscal year: (i) any transition period of less than nine months occurring within or immediately following such three completed fiscal years shall also be part of such Applicable Recovery Period and (ii) any transition period of nine to 12 months will be deemed to be a completed fiscal year.

b. "**Applicable Rules**" means any rules or regulations adopted by the NYSE pursuant to Rule 10D-1 under the Exchange Act and any applicable rules or regulations adopted by the SEC pursuant to Section 10D of the Exchange Act.

c. "**Board**" means the Board of Directors of the Company.

d. "**Committee**" means the Compensation Committee of the Board or, in the absence of such committee, a majority of independent directors serving on the Board.

e. "**Covered Person**" means any Executive Officer. Status as a Covered Person with respect to Erroneously Awarded Compensation shall be determined as of the time of receipt of such Erroneously Awarded Compensation regardless of current role or status with the Company (e.g., if a person began service as an Executive Officer after the beginning of an Applicable Recovery Period, that person would not be considered a Covered Person with respect to Erroneously Awarded Compensation received before the person began service as an Executive Officer, but would be considered a Covered Person with respect to Erroneously Awarded Compensation received after the person began service as an

Executive Officer where such person served as an Executive Officer at any time during the performance period for such Erroneously Awarded Compensation).

f. "**Effective Date**" means October 2, 2023.



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g. "**Erroneously Awarded Compensation**" means the amount of any Incentive-Based Compensation received by a Covered Person on or after the Effective Date and during the Applicable Recovery Period that exceeds the amount that otherwise would have been received by the Covered Person had such compensation been determined based on the restated amounts in a Financial Restatement, computed without regard to any taxes paid. Calculation of Erroneously Awarded Compensation with respect to Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Financial Restatement, shall be based on a reasonable estimate of the effect of the Financial Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received, and the Company shall maintain documentation of the determination of such reasonable estimate and provide such documentation to the NYSE in accordance with the Applicable Rules. Incentive-Based Compensation is deemed received, earned, or vested when the Financial Reporting Measure is attained, not when the actual payment, grant or vesting occurs.

h. "**Executive Officer**" means any person who served the Company in any of the following roles at any time during the performance period applicable to the Incentive-Based Compensation and received Incentive-Based Compensation after beginning service in any such role (regardless of whether such Incentive-Based Compensation was received during or after such person's service in such role): the president, the principal financial officer, the principal accounting officer (or if there is no such accounting officer the controller), any vice president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy making function, or any other person who performs similar policy making functions for the Company. Executive officers of parents or subsidiaries of the Company may be deemed Executive Officers if they perform such policy making functions for the Company.

i. "**Financial Reporting Measures**" mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, any measures that are derived wholly or in part from such measures (including, for example, a non-GAAP financial measure), stock price, and total shareholder return.

j. "**Financial Restatement**" means a restatement of previously issued financial statements of the Company due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required restatement to correct an error in previously-issued financial statements that is material to the previously-issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.



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k. "**Incentive-Based Compensation**" means any compensation provided, directly or indirectly, by the Company or any of its subsidiaries that is granted, earned, or vested based, in whole or in part, upon the attainment of a Financial Reporting Measure.

l. "**Restatement Date**" means, with respect to a Financial Restatement, the earlier to occur of: (i) the date the Board concludes, or reasonably should have concluded, that the Company is required to prepare the Financial Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare the Financial Restatement.

## III. Exception to Compensation Recovery Requirement

The Company may elect not to recover Erroneously Awarded Compensation pursuant to this Policy if the Committee determines that recovery would be impracticable, and one or more of the following conditions, together with any further requirements set forth in the Applicable Rules, are met: (i) the direct expense paid to a third party, including outside legal counsel, to assist in enforcing this Policy would exceed the amount to be recovered, and the Company has made a reasonable attempt to recover such Erroneously Awarded Compensation; or (ii) recovery would likely cause an otherwise tax-qualified retirement plan to fail to be so qualified under applicable regulations.

## IV. Recovery Where Intentional Misconduct

In addition to (and without limiting) the provisions of Section I above, in the event that the Company is required to prepare a Financial Restatement after the Effective Date and the Board (or a duly established committee thereof), in its sole discretion, determines that a Covered Person's act or omission contributed to the circumstances requiring the Financial Restatement and such act or omission involved any of the following: (i) willful, knowing, or intentional misconduct or a willful, knowing, or intentional violation of any of the Company's rules or any applicable legal or regulatory requirements in the course of the Covered Person's employment by, or otherwise in connection with, the Company or (ii) fraud in the course of the Covered Person's employment by, or otherwise in connection with, the Company, the Company may recover from such Covered Person up to 100% (as determined by the Board or a duly established committee thereof, in its sole discretion) of the Incentive-Based Compensation received by such Covered Person from the Company during the Applicable Recovery Period, and not just the excess of what would have been paid to the Covered Person under the Financial Restatement.

## V. Tax Considerations

To the extent that, pursuant to this Policy, the Company is entitled to recover any Erroneously Awarded Compensation that is received by a Covered Person, the gross amount received (i.e., the



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amount the Covered Person received, or was entitled to receive, before any deductions for tax withholding or other payments) shall be returned by the Covered Person.

## VI. Method of Compensation Recovery

The Committee shall determine, in its sole discretion, the method for recovering Erroneously Awarded Compensation hereunder, which may include, without limitation, any one or more of the following:

a. requiring reimbursement of cash Incentive-Based Compensation previously paid;

b. seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;

c. cancelling or rescinding some or all outstanding vested or unvested equity-based awards;

d. adjusting or withholding from unpaid compensation or other offset;

e. cancelling or offsetting against planned future grants of equity-based awards; and/or

f. any other method permitted by applicable law or contract.

Notwithstanding the foregoing, a Covered Person will be deemed to have satisfied such person's obligation to return Erroneously Awarded Compensation to the Company if such Erroneously Awarded Compensation is returned in the exact same form in which it was received; provided that equity withheld to satisfy tax obligations will be deemed to have been received in cash in an amount equal to the tax withholding payment made.

## VII. Compensation Recovery Repayments not Subject to Indemnification

Notwithstanding anything to the contrary set forth in any agreement with, or the organizational documents of, the Company or any of its subsidiaries, Covered Persons are not entitled to indemnification for Erroneously Awarded Compensation or for any losses arising out of or in any way related to Erroneously Awarded Compensation recovered under this Policy and, to the extent any such agreement or organizational document purports to provide otherwise, Covered Persons hereby irrevocably agree to forego such indemnification.

## VIII. Interpretation



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This Policy shall be interpreted in a manner that is consistent with the Applicable Rules and any other applicable law. The Committee shall take into consideration any applicable interpretations and guidance of the SEC in interpreting this Policy, including, for example, in determining whether a financial restatement qualifies as a Financial Restatement hereunder. To the extent the Applicable Rules require recovery of Incentive-Based Compensation in additional circumstances besides those specified above, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover Incentive-Based Compensation to the fullest extent required by the Applicable Rules.

## IX. Administration

This Policy shall be administered by the Committee; provided, however, that the Board shall have exclusive authority to authorize the Company to prepare a Financial Restatement. The Committee shall have such powers and authorities related to the administration of this Policy as are consistent with the governing documents of the Company and applicable law. The Committee shall have full power and authority to take, or direct the taking of, all actions and to make all determinations required or provided for under this Policy and shall have full power and authority to take, or direct the taking of, all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of this Policy that the Committee deems to be necessary or appropriate to the administration of this Policy. The interpretation and construction by the Committee of any provision of this Policy and all determinations made by the Committee under this policy shall be final, binding, and conclusive.

* * * * *

***Adopted by the Board of Directors of MeridianLink, Inc. on November 10, 2023.***



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