REFINITIV

# DELTA REPORT

## 10-Q

DH - DEFINITIVE HEALTHCARE COR

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

| TOTAL DELTAS | 1212 |
|---|---|
| CHANGES | 272 |
| DELETIONS | 328 |
| ADDITIONS | 612 |

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended June September 30, 2023**

**or**

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

**For the transition period from to**

**Commission File Number 001-40815**

# Definitive Healthcare Corp.

**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware** | **86-3988281** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **492 Old Connecticut Path, Suite 401**<br>**Framingham, MA** | **01701** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**(508) 720-4224**

**(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 |
|---|---|---|
| **Class A Common Stock, $0.001 par value** | **DH** | **The Nasdaq Stock Market LLC** |

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

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

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

| | | | |
|---|---|---|---|
| Large Accelerated Filer | ☒ | Accelerated Filer | ☐ |
| Non-accelerated Filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

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

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

As of August 11, 2023 October 31, 2023, the number of outstanding shares of the registrant's Class A Common Stock was 113,299,336 116,328,089 shares.

**Definitive Healthcare Corp.**

**Quarterly Report on Form 10-Q**
**For the Quarterly Period Ended June 30, 2023September 30, 2023**

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## GLOSSARY

As used in this Quarterly Report on Form 10-Q, the terms identified below have the meanings specified below unless otherwise noted or the context indicates otherwise. References in this Form 10-Q to “Definitive Healthcare Corp.” refer to Definitive Healthcare Corp. and not to any of its subsidiaries unless the context indicates otherwise. References in this Form 10-Q to “Definitive Healthcare”, “Definitive”, the “Company”, “we”, “us”, and “our” refer (1) prior to the consummation of the Reorganization Transactions, to Definitive OpCo and its consolidated subsidiaries, and (2) after the consummation of the Reorganization Transactions, to Definitive Healthcare Corp. and its consolidated subsidiaries unless the context indicates otherwise.

- “AIDH Buyer” refers to AIDH Buyer, LLC, which is a wholly owned subsidiary of Definitive OpCo and the direct parent company of DH Holdings.
- “Advent” refers to funds affiliated with Advent International, a global private equity firm.
- “AIDH Management Holdings, LLC” is a special purpose investment vehicle through which certain persons, primarily employees and certain legacy investors, indirectly hold interests in Definitive OpCo.
- “Amended LLC Agreement” refers to the second amended and restated limited liability company agreement entered into by Definitive Opco pursuant to which members have the right to exchange all or a portion of their LLC units for newly issued shares of Class A Common Stock in Definitive Healthcare Corp.
- “ARR” refers to annualized recurring revenue as of period end.
- “Blocker Company” or “Blocker Companies” refers to certain entities treated as corporations for U.S. federal income tax purposes that held LLC units in Definitive OpCo which, through the Reorganization Transactions, were merged into Definitive Healthcare Corp. and are now holders of Class A Common Stock.
- “Continuing Pre-IPO LLC Members” refers to certain Pre-IPO LLC Members who retained their equity ownership in Definitive OpCo in the form of LLC Units immediately following the consummation of the Reorganization Transactions.
- “Definitive OpCo” refers to AIDH TopCo, LLC, a Delaware limited liability company, and a subsidiary of Definitive Healthcare Corp., following the Reorganization Transactions.
- “DH Holdings” refers to Definitive Healthcare Holdings, LLC, a Delaware limited liability company and wholly-owned subsidiary of AIDH Buyer.
- “IPO” refers to the initial public offering of Class A Common Stock of Definitive Healthcare Corp.
- “LLC Units” refers to limited liability company interests in Definitive OpCo.
- “NDR” or “Net Dollar Retention Rate” refers to net dollar retention rate, which we calculate as the percentage of ARR retained from existing customers across a defined period, after accounting for upsell, down-sell, pricing changes, and churn. We calculate net dollar retention as beginning ARR for a period, plus (i) expansion ARR (including, but not limited to, upsell and pricing increases), less (ii) churn (including, but not limited to, non-renewals and contractions), divided by (iii) beginning ARR for a period.
- “Populi” refers to Populi, Inc., a Delaware corporation.
- “Pre-IPO LLC Members” refers to certain affiliates of Spectrum Equity, Jason Krantz, DH Holdings, AIDH Management Holdings, LLC, certain affiliates of 22C Capital, certain affiliates of Advent and certain other minority equity holders of Definitive OpCo prior to the Reorganization Transactions.
- “Reorganization Parties” refers to the shareholders of the Blocker Companies prior to the merger of the Blocker Companies into Definitive Healthcare Corp.
- “Reorganization Transactions” refers to transactions completed in connection with the Company’s IPO as

defined within Note 1 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q.

- "Spectrum Equity" refers to investment funds associated with Spectrum Equity Management, L.P., a private equity firm.
- "Sponsors" refers collectively to Advent, 22C Capital, and Spectrum Equity.
- "Tax Receivable Agreement" refers to the Tax Receivable Agreement, dated September 14, 2021, between Definitive Healthcare Corp., Definitive OpCo, and the TRA Parties.
- "TRA Parties" refers to the Continuing Pre-IPO LLC Members, the Reorganization Parties, and any future party to the Tax Receivable Agreement.
- "22C Capital" refers to investment funds associated with 22C Capital LLC, a private equity firm.



## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Quarterly Report") contains forward-looking statements. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects" and similar references to future periods, or by the inclusion of forecasts or projections. Examples of forward-looking statements include, but are not limited to, statements we make regarding the outlook for our future business and financial performance, such as those contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy, and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, regional, national, or global political, economic, business, competitive, market, and regulatory conditions.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with Part I, Item 1A, "Risk Factors," in our Amendment No.1 No. 1 on Form 10-K/A to our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K/A") filed with the Securities and Exchange Commission ("SEC") on August 14, 2023, and Part II, Item 1A in this Quarterly Report and the other cautionary statements that are included elsewhere in this Quarterly Report and in our public filings, including under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Any forward-looking statement made by us speaks only as of the date on which we make it. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as may be required by law.

PART I - FINANCIAL INFORMATION

**ITEM 1. FINANCIAL STATEMENTS**

**DEFINITIVE HEALTHCARE CORP.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

*(in thousands, except number of shares and par value)*

*(Unaudited)*

| | June 30, 2023 | (As Restated) December 31, 2022 | September 30, 2023 | (As Restated) December 31, 2022 |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ 132,385 | $ 146,934 | $ 77,460 | $ 146,934 |
| Short-term investments | 218,515 | 184,939 | 229,565 | 184,939 |
| Accounts receivable, net | 44,519 | 58,799 | 41,308 | 58,799 |
| Prepaid expenses and other current assets | 13,734 | 12,686 | 14,667 | 12,686 |
| Current portion of deferred contract costs | 11,889 | 10,387 | 12,396 | 10,387 |
| **Total current assets** | 421,042 | 413,745 | 375,396 | 413,745 |
| Property and equipment, net | 4,488 | 4,464 | 4,628 | 4,464 |
| Operating lease right-of-use assets, net | 8,697 | 9,681 | 9,951 | 9,681 |

| | | | | |
|---|---|---|---|---|
| Other assets | 3,938 | 4,683 | 3,414 | 4,683 |
| Deferred contract costs, net of current portion | 16,171 | 14,596 | 16,132 | 14,596 |
| Intangible assets, net | 325,794 | 350,722 | 336,027 | 350,722 |
| Goodwill | 1,324,733 | 1,324,733 | 1,073,986 | 1,324,733 |
| **Total assets** | $ 2,104,863 | $ 2,122,624 | $ 1,819,534 | $ 2,122,624 |
| **Liabilities and Equity** | | | | |
| Current liabilities: | | | | |
| Accounts payable | 3,650 | 3,948 | 5,567 | 3,948 |
| Accrued expenses and other current liabilities | 33,238 | 26,855 | 35,986 | 26,855 |
| Current portion of deferred revenue | 97,495 | 99,692 | 89,713 | 99,692 |
| Current portion of term loan | 12,031 | 8,594 | 13,750 | 8,594 |
| Current portion of operating lease liabilities | 1,713 | 1,521 | 2,126 | 1,521 |
| **Total current liabilities** | 148,127 | 140,610 | 147,142 | 140,610 |
| Long term liabilities: | | | | |
| Deferred revenue, net of current portion | 150 | 236 | 68 | 236 |
| Term loan, net of current portion | 249,166 | 255,765 | 245,866 | 255,765 |
| Operating lease liabilities, net of current portion | 9,004 | 9,969 | 9,873 | 9,969 |

| | | | | |
|---|---|---|---|---|
| Tax receivable agreements liability, net of current portion | 163,298 | 155,111 | 138,736 | 155,111 |
| Deferred tax liabilities | 78,569 | 75,737 | 65,461 | 75,737 |
| Other long-term liabilities | 1,090 | 3,251 | 8,938 | 3,251 |
| **Total liabilities** | 649,404 | 640,679 | 616,084 | 640,679 |
| Equity: | | | | |
| Class A Common Stock, par value $0.001, 600,000,000 shares authorized, 113,085,164 and 105,138,273 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively | 113 | 105 | | |
| Class B Common Stock, par value $0.00001, 65,000,000 shares authorized, 42,861,612 and 41,548,822 shares issued and outstanding, respectively, at June 30, 2023, and 50,433,101 and 48,923,952 shares issued and outstanding, respectively at December 31, 2022 | — | — | | |
| Class A Common Stock, par value $0.001, 600,000,000 shares authorized, 116,281,962 and 105,138,273 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively | | | 116 | 105 |
| Class B Common Stock, par value $0.00001, 65,000,000 shares authorized, 39,781,946 and 39,129,867 shares issued and outstanding, respectively, at September 30, 2023, and 50,433,101 and 48,923,952 shares issued and outstanding, respectively at December 31, 2022 | | | — | — |
| Additional paid-in capital | 1,050,714 | 970,207 | 1,077,332 | 970,207 |
| Accumulated other comprehensive income | 3,252 | 3,668 | 3,051 | 3,668 |
| Accumulated deficit | (45,691) | (25,062) | (217,217) | (25,062) |

| | | | | |
|---|---|---|---|---|
| Noncontrolling interests | 447,071 | 533,027 | 340,168 | 533,027 |
| **Total equity** | 1,455,459 | 1,481,945 | 1,203,450 | 1,481,945 |
| **Total liabilities and equity** | $ 2,104,863 | $ 2,122,624 | $ 1,819,534 | $ 2,122,624 |

See notes to condensed consolidated financial statements

5

**DEFINITIVE HEALTHCARE CORP.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

*(amounts in thousands, except share amounts and per share data)*

*(Unaudited)*

| | Three Months Ended June 30, | | Six Months Ended June 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|---|---|
| | | (As Restated) | | (As Restated) | | (As Restated) | | (As Restated) |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenue | $ 60,957 | $ 54,548 | $ 120,158 | $ 104,672 | $ 65,325 | $ 57,382 | $ 185,483 | $ 162,054 |
| Cost of revenue: | | | | | | | | |
| Cost of revenue exclusive of amortization | 8,078 | 6,198 | 16,630 | 12,148 | 8,663 | 6,569 | 25,293 | 18,717 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Amortization | 3,090 | 5,580 | 6,444 | 10,958 | 3,232 | 3,155 | 9,676 | 14,113 |
| Gross profit | 49,789 | 42,770 | 97,084 | 81,566 | 53,430 | 47,658 | 150,514 | 129,224 |
| Operating expenses: | | | | | | | | |
| Sales and marketing | 24,702 | 23,585 | 48,125 | 44,878 | 22,804 | 21,184 | 70,929 | 66,062 |
| Product development | 10,229 | 8,706 | 20,113 | 15,556 | 10,759 | 9,205 | 30,872 | 24,761 |
| General and administrative | 13,670 | 10,056 | 27,749 | 21,091 | 14,545 | 14,349 | 42,294 | 35,440 |
| Depreciation and amortization | 9,688 | 10,194 | 19,278 | 20,068 | 9,795 | 10,037 | 29,073 | 30,105 |
| Transaction, integration, and restructuring expenses | 3,571 | 2,107 | 6,161 | 3,417 | 3,505 | 2,945 | 9,666 | 6,362 |
| Goodwill impairment | | | | | 287,400 | — | 287,400 | — |
| Total operating expenses | 61,860 | 54,648 | 121,426 | 105,010 | 348,808 | 57,720 | 470,234 | 162,730 |
| Loss from operations | (12,071) | (11,878) | (24,342) | (23,444) | (295,378) | (10,062) | (319,720) | (33,506) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Other income (expense), net: | | | | | | | | |
| Interest income | 3,572 | 180 | 6,406 | 250 | 3,464 | 608 | 9,870 | 858 |
| Interest expense | (3,793) | (2,760) | (7,407) | (4,714) | (3,897) | (3,074) | (11,304) | (7,788) |
| Other (expense) income, net | (797) | 4,103 | (4,428) | 4,088 | | | | |
| Total other (expense) income, net | (1,018) | 1,523 | (5,429) | (376) | | | | |
| Other income, net | | | | | 29,589 | 5,628 | 25,161 | 9,716 |
| Total other income, net | | | | | 29,156 | 3,162 | 23,727 | 2,786 |
| Net loss before income taxes | (13,089) | (10,355) | (29,771) | (23,820) | (266,222) | (6,900) | (295,993) | (30,720) |
| Benefit from income taxes | 1,484 | 213 | 2,194 | 639 | 17,534 | 15 | 19,728 | 654 |
| Net loss | (11,605) | (10,142) | (27,577) | (23,181) | (248,688) | (6,885) | (276,265) | (30,066) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Less: Net loss attributable to noncontrolling interests | (3,039) | (4,656) | (6,948) | (9,114) | (77,162) | (3,865) | (84,110) | (12,979) |
| Net loss attributable to Definitive Healthcare Corp. | $ (8,566) | $ (5,486) | $ (20,629) | $ (14,067) | $ (171,526) | $ (3,020) | $ (192,155) | $ (17,087) |
| Net loss per share of Class A Common Stock: | | | | | | | | |
| Basic and diluted | $ (0.08) | $ (0.06) | $ (0.19) | $ (0.14) | $ (1.50) | $ (0.03) | $ (1.72) | $ (0.17) |
| Weighted average Class A Common Stock outstanding: | | | | | | | | |
| Basic and diluted | 111,768,782 | 99,203,697 | 110,011,177 | 98,186,909 | 114,527,514 | 102,904,565 | 111,533,166 | 99,776,742 |

See notes to condensed consolidated financial statements



**DEFINITIVE HEALTHCARE CORP.**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

*(amounts in thousands)*

*(Unaudited)*

| | Three Months Ended June 30, 2023 | Three Months Ended June 30, 2022 (As Restated) | Six Months Ended June 30, 2023 | Six Months Ended June 30, 2022 (As Restated) | Three Months Ended September 30, 2023 | Three Months Ended September 30, 2022 (As Restated) | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 (As Restated) |
|---|---|---|---|---|---|---|---|---|
| Net loss | $ (11,605) | $ (10,142) | $ (27,577) | $ (23,181) | $ (248,688) | $ (6,885) | $ (276,265) | $ (30,066) |
| Other comprehensive loss: | | | | | | | | |
| Foreign currency translation adjustments | (124) | (216) | (104) | (210) | (30) | (207) | (134) | (417) |
| Unrealized loss on available-for-sale securities | (352) | (143) | (264) | (452) | | | | |
| Unrealized gain (loss) on interest rate hedging instruments | 1,111 | 1,694 | (244) | 3,340 | | | | |
| Unrealized gain (loss) on available-for-sale securities | | | | | 205 | 46 | (59) | (406) |
| Unrealized (loss) gain on interest rate hedging instruments | | | | | (442) | 3,333 | (686) | 6,673 |
| Comprehensive loss | (10,970) | (8,807) | (27,189) | (20,503) | (248,955) | (3,713) | (277,144) | (24,216) |
| Less: Comprehensive loss attributable to noncontrolling interests | (2,863) | (4,076) | (7,144) | (8,047) | (77,228) | (2,931) | (84,372) | (10,978) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Comprehensive loss attributable to Definitive Healthcare Corp. | $ (8,107) | $ (4,731) | $ (21,045) | $ (12,456) | $ (171,727) | $ (782) | $ (192,772) | $ (13,238) |

See notes to condensed consolidated financial statements



**DEFINITIVE HEALTHCARE CORP.**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY**

*(amounts in thousands, except share amounts)*

*(Unaudited)*

| | Class A Stock | Class A Amount | Class B Stock | Class B Amount | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Noncontrolling Interests | Total Equity | Class A Stock | Class A Amount | Class B Stock | Class B Amount | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Noncontrolling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance at January 1, 2023, as restated | 105,138,273 | $ 105 | 50,433,101 | $ — | $ 970,207 | $ (25,062) | $ 3,668 | $ 533,027 | $ 1,481,945 | 105,138,273 | $ 105 | 50,433,101 | $ — | $ 970,207 | $ (25,062) | $ 3,668 | $ 533,027 | $ 1,481,945 |
| Net loss, as restated | — | — | — | — | — | (12,063) | — | (3,909) | (15,972) | — | — | — | — | — | (12,063) | — | (3,909) | (15,972) |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Other comprehensive loss | — | — | — | — | — | — | (875) | (372) | (1,247) | — | — | — | — | — | — | (875) | (372) | (1,247) |
| Vested incentive units | — | — | — | — | (505) | — | — | 505 | — | — | — | — | — | (505) | — | — | 505 | — |
| Issuance of Class A Common Stock upon vesting of RSUs | 380,676 | — | — | — | 828 | — | — | (828) | — | 380,676 | — | — | — | 828 | — | — | (828) | — |
| Shares withheld related to net share settlement | (127,829) | — | — | — | (1,530) | — | — | — | (1,530) | (127,829) | — | — | — | (1,530) | — | — | — | (1,530) |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Effect of LLC unit exchanges, as restated | 4,771,545 | 5 | (4,771,545) | — | 41,881 | — | — | (52,352) | (10,466) | 4,771,545 | 5 | (4,771,545) | — | 41,881 | — | — | (52,352) | (10,466) |
| Forfeited unvested incentive units | — | — | (34,623) | — | — | — | — | — | — | — | — | (34,623) | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 7,811 | — | — | 3,317 | 11,128 | — | — | — | — | 7,811 | — | — | 3,317 | 11,128 |
| **Balance at March 31, 2023, as restated** | 110,162,665 | $ 110 | 45,626,933 | $ — | $ 1,018,692 | $ (37,125) | $ 2,793 | $ 479,388 | $ 1,463,858 | 110,162,665 | $ 110 | 45,626,933 | $ — | $ 1,018,692 | $ (37,125) | $ 2,793 | $ 479,388 | $ 1,463,858 |
| Net loss | — | — | — | — | — | (8,566) | — | (3,039) | (11,605) | — | — | — | — | — | (8,566) | — | (3,039) | (11,605) |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Other comprehensive loss | — | — | — | — | — | — | 459 | 176 | 635 | — | — | — | — | — | — | 459 | 176 | 635 |
| Vested incentive units | — | — | — | — | (390) | — | — | 390 | — | — | — | — | — | (390) | — | — | 390 | — |
| Issuance of Class A Common Stock upon vesting of RSUs | 309,694 | — | — | — | 620 | — | — | (620) | — | 309,694 | — | — | — | 620 | — | — | (620) | — |
| Shares withheld related to net share settlement | (105,249) | — | — | — | (1,085) | — | — | — | (1,085) | (105,249) | — | — | — | (1,085) | — | — | — | (1,085) |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Effect of LLC unit exchanges | 2,718,054 | 3 | (2,718,054) | — | 23,934 | — | — | (29,817) | (5,880) | 2,718,054 | 3 | (2,718,054) | — | 23,934 | — | — | (29,817) | (5,880) |
| Forfeited unvested incentive units | — | — | (47,267) | — | — | — | — | — | — | — | — | (47,267) | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 8,943 | — | — | 3,420 | 12,363 | — | — | — | — | 8,943 | — | — | 3,420 | 12,363 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | — | (2,827) | (2,827) | — | — | — | — | — | — | — | (2,827) | (2,827) |
| **Balance at June 30, 2023** | 113,085,164 | $ 113 | 42,861,612 | $ — | $ 1,050,714 | $ (45,691) | $ 3,252 | $ 447,071 | $ 1,455,459 | 113,085,164 | $ 113 | 42,861,612 | $ — | $ 1,050,714 | $ (45,691) | $ 3,252 | $ 447,071 | $ 1,455,459 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Net loss | — | — | — | — | — | (171,526) | — | (77,162) | (248,688) |
| Other comprehensive income | — | — | — | — | — | — | (201) | (66) | (267) |
| Vested incentive units | — | — | — | — | (5,086) | — | — | 5,086 | — |
| Issuance of Class A Common Stock upon vesting of RSUs | 214,549 | — | — | — | 391 | — | — | (391) | — |
| Shares withheld related to net share settlement | (75,217) | — | — | — | (782) | — | — | — | (782) |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Effect of LLC unit exchanges | 3,057,466 | 3 | (3,057,466) | — | 23,231 | — | — | (29,634) | (6,400) |
| Forfeited unvested incentive units | — | — | (22,200) | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 8,864 | — | — | 3,130 | 11,994 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | — | (7,866) | (7,866) |
| **Balance at September 30, 2023** | 116,281,962 | $ 116 | 39,781,946 | $ — | $ 1,077,332 | $ (217,217) | $ 3,051 | $ 340,168 | $ 1,203,450 |

## DEFINITIVE HEALTHCARE CORP.

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY (CONTINUED)

*(amounts in thousands, except share amounts)*

| | Class A Stock | Class A Amount | Class B Stock | Class B Amount | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Noncontrolling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance at January 1, 2022, as restated | 97,030,095 | 97 | 58,244,627 | — | 888,992 | (17,840) | 62 | 628,525 | 1,499,836 |
| Net loss | — | — | — | — | — | (8,581) | — | (4,458) | (13,039) |
| Other comprehensive income | — | — | — | — | — | — | 856 | 487 | 1,343 |
| Vested incentive units | — | — | — | — | (696) | — | — | 696 | — |
| Effect of LLC unit exchanges | 544,302 | 1 | (544,302) | — | 5,071 | — | — | (5,965) | (893) |
| Forfeited unvested incentive units | — | — | (33,549) | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 4,377 | — | — | 2,495 | 6,872 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | — | (258) | (258) |
| **Balance at March 31, 2022, as restated** | 97,574,397 | $ 98 | 57,666,776 | $ — | $ 897,744 | $ (26,421) | $ 918 | $ 621,522 | $ 1,493,861 |
| Net loss | — | — | — | — | — | (5,486) | — | (4,656) | (10,142) |
| Other comprehensive income | — | — | — | — | — | — | 755 | 580 | 1,335 |
| Vested incentive units | — | — | — | — | (358) | — | — | 358 | — |
| Issuance of Class A Common Stock upon vesting of RSUs | 11,729 | — | — | — | 45 | — | — | (45) | — |
| Effect of LLC unit exchanges | 2,898,589 | 2 | (2,898,589) | — | 24,764 | — | — | (29,358) | (4,592) |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Forfeited unvested incentive units | — | — | (22,807) | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 5,852 | — | — | 3,153 | 9,005 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | — | (5,029) | (5,029) |
| **Balance at June 30, 2022, as restated** | 100,484,715 | $ 100 | 54,745,380 | $ — | $ 928,047 | $ (31,907) | $ 1,673 | $ 586,525 | $ 1,484,438 |

*(Unaudited)*

| | Class A Stock | Class A Amount | Class B Stock | Class B Amount | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Noncontrolling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at January 1, 2022, as restated** | 97,030,095 | 97 | 58,244,627 | — | 888,992 | (17,840) | 62 | 628,525 | 1,499,836 |
| Net loss, as restated | — | — | — | — | — | (8,581) | — | (4,458) | (13,039) |
| Other comprehensive income | — | — | — | — | — | — | 856 | 487 | 1,343 |
| Vested incentive units | — | — | — | — | (696) | — | — | 696 | — |
| Effect of LLC unit exchanges, as restated | 544,302 | 1 | (544,302) | — | 5,071 | — | — | (5,965) | (893) |
| Forfeited unvested incentive units | — | — | (33,549) | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 4,377 | — | — | 2,495 | 6,872 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | — | (258) | (258) |
| **Balance at March 31, 2022, as restated** | 97,574,397 | $ 98 | 57,666,776 | $ — | $ 897,744 | $ (26,421) | $ 918 | $ 621,522 | $ 1,493,861 |
| Net loss, as restated | — | — | — | — | — | (5,486) | — | (4,656) | (10,142) |
| Other comprehensive income, as restated | — | — | — | — | — | — | 755 | 580 | 1,335 |
| Vested incentive units | — | — | — | — | (358) | — | — | 358 | — |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Issuance of Class A Common Stock upon vesting of RSUs | 11,729 | — | — | — | 45 | — | — | (45) | — |
| Effect of LLC unit exchanges, as restated | 2,898,589 | 2 | (2,898,589) | — | 24,764 | — | — | (29,358) | (4,592) |
| Forfeited unvested incentive units | — | — | (22,807) | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 5,852 | — | — | 3,153 | 9,005 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | — | (5,029) | (5,029) |
| **Balance at June 30, 2022, as restated** | 100,484,715 | $ 100 | 54,745,380 | $ — | $ 928,047 | $ (31,907) | $ 1,673 | $ 586,525 | $ 1,484,438 |
| Net loss, as restated | — | — | — | — | — | (3,020) | — | (3,865) | (6,885) |
| Other comprehensive income, as restated | — | — | — | — | — | — | 2,238 | 934 | 3,172 |
| Vested incentive units | — | — | — | — | (5,728) | — | — | 5,728 | — |
| Issuance of Class A Common Stock upon vesting of RSUs | 440,317 | — | — | — | 1,079 | — | — | (1,079) | — |
| Shares withheld related to net share settlement | (136,000) | — | — | — | (2,745) | — | — | — | (2,745) |
| Effect of LLC unit exchanges, as restated | 4,172,933 | 5 | (4,172,933) | — | 34,207 | — | — | (46,580) | (12,368) |
| Forfeited unvested incentive units | — | — | (5,549) | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 6,141 | — | — | 2,992 | 9,133 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | — | (1,652) | (1,652) |
| **Balance at September 30, 2022, as restated** | 104,961,965 | $ 105 | 50,566,898 | $ — | $ 961,001 | $ (34,927) | $ 3,911 | $ 543,003 | $ 1,473,093 |

See notes to condensed consolidated financial statements.

**DEFINITIVE HEALTHCARE CORP.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(amounts in thousands)*

*(Unaudited)*

| | Six Months Ended June 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | (As Restated) 2022 | 2023 | (As Restated) 2022 |
| **Cash flows provided by (used in) operating activities:** | | | | |
| Net loss | $ (27,577) | $ (23,181) | $ (276,265) | $ (30,066) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 959 | 1,252 | 1,391 | 1,721 |
| Amortization of intangible assets | 24,763 | 29,774 | 37,358 | 42,497 |
| Amortization of deferred contract costs | 6,030 | 3,991 | 9,475 | 6,274 |
| Equity-based compensation | 23,491 | 15,877 | 35,485 | 25,010 |
| Amortization of debt issuance costs | 351 | 351 | 527 | 527 |
| Provision for doubtful accounts receivable | 466 | 6 | 820 | 769 |
| Non-cash restructuring charges | 298 | 1,023 | 155 | 1,023 |
| Goodwill impairment charge | | | 287,400 | — |
| Tax receivable agreement remeasurement | 4,698 | (3,330) | (24,977) | (8,583) |
| Deferred income taxes | (2,424) | (677) | (19,728) | (719) |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | 13,884 | 15,270 | 19,370 | 12,454 |

| | | | | |
|---|---|---|---|---|
| Prepaid expenses and other current assets | (3,571) | 1,319 | (5,808) | 2,554 |
| Deferred contract costs | (9,107) | (6,846) | (13,020) | (10,070) |
| Contingent consideration | — | (6,400) | — | (6,400) |
| Accounts payable, accrued expenses, and other liabilities | (3,023) | (993) | (1,589) | 5,832 |
| Deferred revenue | (2,244) | 1,678 | (14,113) | (3,024) |
| Net cash provided by operating activities | 26,994 | 29,114 | 36,481 | 39,799 |
| **Cash flows (used in) provided by investing activities:** | | | | |
| Purchases of property, equipment, and other assets | (2,078) | (1,577) | (2,383) | (3,455) |
| Purchases of short-term investments | (132,799) | (162,957) | (213,613) | (217,266) |
| Maturities of short-term investments | 102,747 | 44,000 | 174,830 | 96,000 |
| Cash paid for acquisitions, net of cash acquired | — | (56,499) | (45,023) | (56,296) |
| Net cash used in investing activities | (32,130) | (177,033) | (86,189) | (181,017) |
| **Cash flows used in financing activities:** | | | | |
| Repayments of term loans | (3,438) | (3,438) | (5,156) | (5,156) |
| Taxes paid related to net share settlement of equity awards | (2,615) | — | (3,397) | (2,745) |
| Payment of contingent consideration | — | (1,100) | — | (1,100) |
| Payments under tax receivable agreement | (246) | — | (246) | — |
| Payments of equity offering issuance costs | (30) | (1,299) | (30) | (1,299) |
| Member distributions | (2,827) | (5,287) | (10,693) | (6,939) |
| Net cash used in financing activities | (9,156) | (11,124) | (19,522) | (17,239) |
| Net decrease in cash and cash equivalents | (14,292) | (159,043) | (69,230) | (158,457) |
| Effect of exchange rate changes on cash and cash equivalents | (257) | (253) | (244) | (213) |

| | | | | |
|---|---|---|---|---|
| Cash and cash equivalents, beginning of period | 146,934 | 387,498 | 146,934 | 387,498 |
| Cash and cash equivalents, end of period | $ 132,385 | $ 228,202 | $ 77,460 | $ 228,828 |
| **Supplemental cash flow disclosures:** | | | | |
| Cash paid during the period for: | | | | |
| Interest | $ 7,091 | $ 4,350 | $ 10,772 | $ 7,248 |
| Income taxes | $ 136 | $ — | $ 136 | $ — |
| Acquisitions: | | | | |
| Net assets acquired, net of cash acquired | $ — | $ 97,499 | $ 52,659 | $ 97,296 |
| Working capital adjustment receivable | | | 164 | — |
| Initial cash investment in prior year | — | (40,000) | — | (40,000) |
| Contingent consideration | — | (1,000) | (7,800) | (1,000) |
| Net cash paid for acquisitions | $ — | $ 56,499 | $ 45,023 | $ 56,296 |
| **Supplemental disclosure of non-cash investing activities:** | | | | |
| Capital expenditures included in accrued expenses | $ 60 | $ 3,500 | | |
| Capital expenditures included in accounts payable and accrued expenses | | | $ 283 | $ 4,504 |
| **Supplemental disclosure of non-cash financing activities:** | | | | |
| Unpaid equity offering costs included in accrued expenses | | | $ — | $ 147 |

See notes to condensed consolidated financial statements



**DEFINITIVE HEALTHCARE CORP.**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Unaudited)*

## 1. Organization and Basis of Presentation

***Description of Business and Organization***

Definitive Healthcare Corp. (the "Company") was formed on May 5, 2021 as a Delaware corporation to facilitate an initial public offering ("IPO") and other related transactions to carry on the business of AIDH TopCo, LLC ("Definitive OpCo"). Following consummation of the Reorganization Transactions as described in the Company's 2022 Form 10-K/A, Definitive OpCo became a subsidiary of Definitive Healthcare Corp. The Company, through its operating subsidiaries, provides comprehensive and up-to-date hospital and healthcare-related information and insight across the entire healthcare continuum via a multi-tenant software-as-a-service ("SaaS") platform which combines proprietary and public sources to deliver insights. The Company is headquartered in Framingham, Massachusetts.

In connection with the IPO, the Company completed the following transactions (the "Reorganization Transactions"). Definitive OpCo entered into an amended and restated limited liability company agreement (the "Amended LLC Agreement") pursuant to which members of Definitive OpCo prior to the IPO who continued to hold limited liability company interests ("LLC Units") in Definitive OpCo following the consummation of the Reorganization Transactions acquired the right to require Definitive OpCo to redeem all or a portion of their LLC Units for newly issued shares of Class A Common Stock on a one-for-one basis. Until redeemed or exchanged, each LLC Unit is paired with one share of Definitive Healthcare Corp. Class B Common Stock. The total shares of Class B Common Stock outstanding is equal to the number of vested LLC Units outstanding, excluding LLC Units held by the Company. Unvested LLC Units are paired with Class B Common Stock, which are issued but do not have voting rights and are deemed not outstanding until the corresponding LLC Units have vested. Certain entities treated as corporations for U.S. federal income tax purposes that held LLC Units (individually, a "Blocker Company" and collectively, the "Blocker Companies") each merged with a merger subsidiary of Definitive Healthcare Corp., and subsequently merged into Definitive Healthcare Corp. (the "Mergers"). The former shareholders of the Blocker Companies collectively received a number of shares of Class A Common Stock in the Mergers equal to the number of LLC Units held by the Blocker Companies prior to the Mergers.

Following the Reorganization Transactions, Definitive Healthcare Corp. became a holding company, with its sole material asset being a controlling equity interest in Definitive OpCo. Definitive Healthcare Corp. operates and controls all of the business and affairs of Definitive OpCo, and through Definitive OpCo and its subsidiaries, conducts its business. Accordingly, Definitive Healthcare Corp. consolidates the financial results of Definitive OpCo, and reports the noncontrolling interests of unexchanged LLC Unit holders on its condensed consolidated financial statements.

In connection with the Reorganization Transactions and the IPO, Definitive Healthcare Corp entered into a tax receivable agreement. See Note 15. *Income Taxes*.

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and in conformity with rules applicable to quarterly financial information. Any reference in these notes to applicable accounting guidance is meant to refer to the authoritative nongovernmental GAAP as found in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The condensed consolidated financial statements as of June 30, 2023 September 30, 2023 and for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 are unaudited and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2022. All adjustments, consisting of normal recurring adjustments, except as otherwise noted, considered, in the opinion of management, necessary for a fair presentation of the unaudited interim condensed consolidated financial statements for these interim periods have been included.

Refer to Note 2. *Summary of Significant Accounting Policies* in the notes to the consolidated financial statements in the 2022 Form 10-K/A for the Company’s significant accounting policies and estimates.

***Use of Estimates in the Preparation of Financial Statements***

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. These estimates include, but are not limited to, revenue recognition, allowance for doubtful accounts, contingencies, valuations, useful lives of intangible assets acquired in business combinations, equity-based compensation, and income taxes. Actual results could differ from those estimates.



***Adoption of Recently Issued Financial Accounting Standards***

In June 2016, the FASB issued ASU No. 2016-13—*Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments*. This standard is intended to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets in scope, such as trade receivables. The amendment is effective for fiscal years beginning after December 15, 2022. The Company adopted the update effective January 1, 2023 and the adoption of the standard did not have a material impact on the Company's condensed consolidated financial statements for the quarter ended June 30, 2023 September 30, 2023.

***Recently Issued Accounting Pronouncements Not Yet Adopted***

From time to time, new accounting pronouncements are issued by the FASB or other accounting standard setting bodies that the Company adopts as of the specified effective date. Unless otherwise discussed, we do not believe that the adoption of recently issued standards have had or may have a material impact on our condensed consolidated statements or disclosures.

***Restatement of Previously Issued Financial Statements***

The financial statements for the three and six nine months ended June 30, 2022 September 30, 2022, have been restated to reflect the correction of misstatements related to the collection of sales taxes from sales of services to customers further described below (the “Misstatements”), along with other immaterial adjustments. The Company also restated all amounts within the notes to the financial statements. A description of adjustments and their impact on the previously issued financial statements are included below.

In the first quarter of 2023, the Company began a review of its sales tax positions, and related accounting matters, with the assistance of outside consultants. As a result of the review, the Company determined during the second quarter of 2023 that sales in certain states were subject to sales tax and that the Company had not assessed such sales tax on sales of its services to customers. The Company determined that it did not accrue sales taxes and corrected these Misstatements by recording sales tax accruals through general and administrative expense as of the end of each affected period. These accrual amounts assume that (i) customers who have not yet provided certificates or other documentation of exemption from sales tax are taxable, (ii) maximum interest and penalty assessments may be imposed, and (iii) the Company will not receive waivers of interest and penalties or other benefits under agreements it may obtain with jurisdictions from its outreach with voluntarily disclosures. The Company expects to make adjustments to the sales tax liability in future periods as and if it obtains any based on the results of the voluntary disclosure agreements, including, but not limited to, classification of exempt sales based on customer exemption certificates, waivers of interest and penalties, or other benefits from its voluntary disclosures and as and if it obtains additional documentation from customers supporting exemption from sales tax. benefits. The Misstatements that appeared in the previously issued financial statements were material, and the Company has also corrected other immaterial errors, which are further described below.



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As described in additional detail in the Explanatory Note in our 2022 Form 10-K/A, the Company restated its audited consolidated financial statements as of and for the years ended December 31, 2022, 2021 and 2020, as well as the unaudited condensed consolidated quarterly financial information for the quarterly periods in the fiscal years ended December 31, 2022, 2021, and 2020, to reflect the correction of the Misstatements and other immaterial adjustments, and to make corresponding disclosures. The Company also filed an Amendment No. 1 on Form 10-Q/A to amend the Quarterly Report on Form 10-Q for the three months ended March 31, 2023 with the SEC on August 14, 2023, to restate its unaudited condensed consolidated financial statements for the three months ended March 31, 2023 and 2022.

A summary of the impacts of the Misstatements and other immaterial adjustments is as follows:

| | **Three Months Ended June 30, 2022** | | **Six Months Ended June 30, 2022** | | **Three Months Ended September 30, 2022** | | **Nine Months Ended September 30, 2022** | |
|---|---|---|---|---|---|---|---|---|
| ***(in thousands)*** | **As previously reported** | **As Restated** | **As previously reported** | **As Restated** | **As previously reported** | **As Restated** | **As previously reported** | **As Restated** |
| Net loss | $ (9,579) | $ (10,142) | $ (22,636) | $ (23,181) | $ (6,354) | $ (6,885) | $ (28,990) | $ (30,066) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Net loss attributable to noncontrolling interests | (4,429) | (4,656) | (8,862) | (9,114) | (3,665) | (3,865) | (12,527) | (12,979) |
| Net loss attributable to Definitive Healthcare Corp. | (5,150) | (5,486) | (13,774) | (14,067) | (2,689) | (3,020) | (16,463) | (17,087) |

| | As of June 30, 2022 | | As of September 30, 2022 | |
|---|---|---|---|---|
| ***(in thousands)*** | **As previously reported** | **As Restated** | **As previously reported** | **As Restated** |
| Total assets | $ 2,122,855 | $ 2,124,165 | $ 2,119,773 | $ 2,121,404 |
| Total liabilities | 634,155 | 639,727 | 642,251 | 648,311 |
| Total equity | 1,488,700 | 1,484,438 | 1,477,522 | 1,473,093 |



The categories of restatement adjustments and their impacts on previously reported financial statements are described below:

*a)* *Sales Tax and Related Misstatements* – Sales tax on sales of services to customers who were subject to sales tax, inclusive of maximum penalties and interest, that was not previously accrued by the Company is corrected by an increase to accrued expenses and other current liabilities on the condensed consolidated balance sheets and an increase to general and administrative expenses on the condensed consolidated statements of operations.

*b)* *Related Impact on Tax Receivable Agreement ("TRA"(“TRA”)* – Any impact on tax receivable gains and losses due to the corrections in (a) above is reflected as a change in the tax receivable agreement liability on the balance sheet and a change in other expense on the condensed consolidated statements of operations.

*c)* *Purchase Price Allocation Misstatement* – In connection with the Company’s acquisition of Monocl Holding Company, the Company had previously failed to record a deferred tax liability related to identified intangible assets of Monocl Holding Company. Therefore, the Company corrected the opening purchase price of Monocl Holding Company to record an opening deferred tax liability with an offset to goodwill on the condensed consolidated balance sheets. The opening deferred tax liability subsequently resulted in an increase in benefit from income taxes on the consolidated statements of operations through the period ending March 31, 2022.

d) *Related Impact on Noncontrolling Interests* – Any impact on noncontrolling interests resulting from the allocation of net loss due to the corrections in (a) and (c) above is reflected as (i) a change in the net loss attributable to noncontrolling interests on the condensed consolidated statements of operations, and (ii) a change in noncontrolling interests on the condensed consolidated balance sheets.

e)*Currency Translation Adjustments* – The Company made currency translation adjustments of $0.3 million between certain long-lived assets and total equity on the condensed consolidated balance sheets as of June 30, 2022.



The following table sets forth the corrections in each of the line items affected in the consolidated statements of operations for each respective period:

| *(in thousands)* | Three Months Ended June 30, 2022 | Six Months Ended June 30, 2022 | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2022 |
|---|---|---|---|---|
| Increase in general and administrative expense (a) | $ 664 | $ 1,245 | $ 631 | $ 1,876 |
| Increase in gain on remeasurement of TRA liability (other income) (b) | 101 | 187 | 100 | 287 |
| Increase in benefit from income taxes (c) | — | 513 | — | 513 |
| Increase in net loss due to restatement items | 563 | 545 | 531 | 1,076 |
| Increase in net loss attributable to noncontrolling interests due to restatement items (d) | 227 | 252 | 200 | 452 |
| Increase in net loss attributable to Definitive Healthcare Corp. due to restatement items | 336 | 293 | 331 | 624 |

See footnote descriptions above

(a) Sales Tax

(b) Related Impact on TRA

(c) Purchase Price Allocation Misstatement

(d) Related Impact on Noncontrolling Interests

See footnote descriptions above

(a) Sales Tax

(b) Related Impact on TRA

(c) Purchase Price Allocation Misstatement

(d) Related Impact on Noncontrolling Interests

See footnote descriptions above

(a) Sales Tax

(b) Related Impact on TRA

(c) Purchase Price Allocation Misstatement

(d) Related Impact on Noncontrolling Interests

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| | **Three Months Ended June 30, 2022** | | **Six Months Ended June 30, 2022** | | **Three Months Ended September 30, 2022** | | **Nine Months Ended September 30, 2022** | |
|---|---|---|---|---|---|---|---|---|
| ***(in thousands, except share amounts and per share data)*** | **As previously reported** | **As Restated** | **As previously reported** | **As Restated** | **As previously reported** | **As Restated** | **As previously reported** | **As Restated** |
| Revenue | $ 54,548 | $ 54,548 | $ 104,672 | $ 104,672 | $ 57,382 | $ 57,382 | $ 162,054 | $ 162,054 |
| Cost of revenue: | | | | | | | | |
| Cost of revenue exclusive of amortization | 6,198 | 6,198 | 12,148 | 12,148 | 6,569 | 6,569 | 18,717 | 18,717 |
| Amortization | 5,580 | 5,580 | 10,958 | 10,958 | 3,155 | 3,155 | 14,113 | 14,113 |
| Gross profit | 42,770 | 42,770 | 81,566 | 81,566 | 47,658 | 47,658 | 129,224 | 129,224 |
| Operating expenses: | | | | | | | | |
| Sales and marketing | 23,585 | 23,585 | 44,878 | 44,878 | 21,184 | 21,184 | 66,062 | 66,062 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Product development | 8,706 | 8,706 | 15,556 | 15,556 | 9,205 | 9,205 | 24,761 | 24,761 |
| General and administrative | 9,392 | 10,056 | 19,846 | 21,091 | 13,718 | 14,349 | 33,564 | 35,440 |
| Depreciation and amortization | 10,194 | 10,194 | 20,068 | 20,068 | 10,037 | 10,037 | 30,105 | 30,105 |
| Transaction, integration, and restructuring expenses | 2,107 | 2,107 | 3,417 | 3,417 | 2,945 | 2,945 | 6,362 | 6,362 |
| Total operating expenses | 53,984 | 54,648 | 103,765 | 105,010 | 57,089 | 57,720 | 160,854 | 162,730 |
| Loss from operations | (11,214) | (11,878) | (22,199) | (23,444) | (9,431) | (10,062) | (31,630) | (33,506) |
| Other income (expense), net: | | | | | | | | |
| Interest income | 180 | 180 | 250 | 250 | 608 | 608 | 858 | 858 |
| Interest expense | (2,760) | (2,760) | (4,714) | (4,714) | (3,074) | (3,074) | (7,788) | (7,788) |
| Other expense, net | 4,002 | 4,103 | 3,901 | 4,088 | 5,528 | 5,628 | 9,429 | 9,716 |
| Total other expense, net | 1,422 | 1,523 | (563) | (376) | 3,062 | 3,162 | 2,499 | 2,786 |
| Loss before income taxes | (9,792) | (10,355) | (22,762) | (23,820) | (6,369) | (6,900) | (29,131) | (30,720) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Benefit from income taxes | 213 | 213 | 126 | 639 | 15 | 15 | 141 | 654 |
| Net loss | (9,579) | (10,142) | (22,636) | (23,181) | (6,354) | (6,885) | (28,990) | (30,066) |
| Less: Net loss attributable to noncontrolling interests | (4,429) | (4,656) | (8,862) | (9,114) | (3,665) | (3,865) | (12,527) | (12,979) |
| Net loss attributable to Definitive Healthcare Corp. | $ (5,150) | $ (5,486) | $ (13,774) | $ (14,067) | $ (2,689) | $ (3,020) | $ (16,463) | $ (17,087) |
| Net loss per share of Class A Common Stock: | | | | | | | | |
| Basic and diluted | $ (0.05) | $ (0.06) | $ (0.14) | $ (0.14) | $ (0.03) | $ (0.03) | $ (0.16) | $ (0.17) |
| Weighted average Common Stock outstanding: | | | | | | | | |
| Basic and diluted (1) | 99,203,697 | 99,203,697 | 98,186,909 | 98,186,909 | 102,904,565 | 102,904,565 | 99,776,742 | 99,776,742 |

The following table sets forth the corrections in each of the line items affected in the condensed consolidated balance sheets for June 30, 2022 September 30, 2022:

| *(in thousands)* | As previously reported | Restatement Adjustments | As Restated | As previously reported | Restatement Adjustments | As Restated |
|---|---|---|---|---|---|---|
| Property and equipment, net | $ 4,760 | $ (64) | $ 4,696 | | | |
| Operating lease right-of-use assets, net | 10,552 | (76) | 10,476 | | | |
| Intangible assets, net | 372,196 | (181) | 372,015 | | | |
| Goodwill | 1,322,959 | 1,631 | 1,324,590 | 1,322,959 | 1,631 | 1,324,590 |
| Total assets | 2,122,855 | 1,310 | 2,124,165 | 2,119,773 | 1,631 | 2,121,404 |
| Accrued expenses and other current liabilities | 14,682 | 6,572 | 21,254 | 18,885 | 7,203 | 26,088 |
| Total current liabilities | 119,188 | 6,572 | 125,760 | 121,552 | 7,203 | 128,755 |
| Tax receivable agreements liability, net of current portion | 155,900 | (1,000) | 154,900 | 157,175 | (1,143) | 156,032 |
| Total liabilities | 634,155 | 5,572 | 639,727 | 642,251 | 6,060 | 648,311 |
| Additional paid-in capital | 929,842 | (1,795) | 928,047 | 962,874 | (1,873) | 961,001 |
| Accumulated other comprehensive income | 1,994 | (321) | 1,673 | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Accumulated deficit | (31,451) | (456) | (31,907) | (34,140) | (787) | (34,927) |
| Noncontrolling interests | 588,215 | (1,690) | 586,525 | 544,772 | (1,769) | 543,003 |
| Total equity | 1,488,700 | (4,262) | 1,484,438 | 1,477,522 | (4,429) | 1,473,093 |
| Total liabilities and equity | 2,122,855 | 1,310 | 2,124,165 | 2,119,773 | 1,631 | 2,121,404 |

The following table sets forth the corrections in each of the line items affected in the condensed consolidated statements of changes in total equity for June 30, 2022 September 30, 2022:

| *(in thousands)* | **Additional Paid-In Capital** | **Accumulated Other Comprehensive Income** | **Accumulated Deficit** | **Noncontrolling Interests** | **Total Equity** | **Additional Paid-In Capital** | **Accumulated Deficit** | **Noncontrolling Interests** | **Total Equity** |
|---|---|---|---|---|---|---|---|---|---|
| As reported | $ 929,842 | $ 1,994 | $ (31,451) | $ 588,215 | $ 1,488,700 | $ 962,874 | $ (34,140) | $ 544,772 | $ 1,477,522 |
| Adjustment due to cumulative error correction | (1,795) | (321) | (456) | (1,690) | (4,262) | (1,873) | (787) | (1,769) | (4,429) |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| As<br>restate<br>d | 92<br>8,<br>04<br>$ 7 | 1,6<br>$ 73 | (3<br>1,<br>90<br>$ 7) | 58<br>6,<br>52<br>$ 5 | 1,<br>48<br>4,<br>43<br>$ 8 | 96<br>1,<br>00<br>$ 1 | (3<br>4,<br>92<br>$ 7) | 54<br>3,<br>00<br>$ 3 | 1,<br>4<br>7<br>3,<br>0<br>9<br>$ 3 |

The Company did not present tables for quarterly adjustments within the consolidated statements of cash flows since all of the foregoing adjustments only affected financial statement line items within cash flows from operating activities. The adjustments did not affect total cash flows from operating activities, financing activities, or investing activities for any period presented.



## 2. Acquisitions

***Populi, Inc.***

On July 21, 2023, the Company completed the acquisition of Populi, Inc. (“Populi”), a provider-focused data and analytics company that works with healthcare organizations to optimize physician relationships, reduce network leakage, and expand market share, for total estimated consideration of $54.1 million, consisting of approximately $46.4 million of cash paid at closing, $0.2 reimbursement from sellers for working capital adjustments, and up to $28.0 million of contingent consideration, with an initial estimated fair value of $7.8 million. The contingent consideration relates to earn-out payments that may be paid subject to meeting certain revenue metrics during calendar years 2024 and 2025. In addition to the purchase consideration and pursuant to holdback agreements with certain key Populi employees, the Company agreed to pay $4.8 million to certain key Populi employees in quarterly installments beginning on December 31, 2023, and continuing through September 30, 2025. The payout of the holdback is subject to continued employment, and therefore recognized as compensation expense over the requisite service period as a component of transaction, integration and restructuring expenses in the accompanying condensed consolidated statements of operations. The assets acquired and liabilities assumed were recorded at their estimated fair values and the results of operations were included in the Company’s consolidated results as of the acquisition date.

The consideration transferred for the transaction is summarized as follows:

| *(in thousands)* | | |
|---|---|---|
| Cash consideration paid at closing | $ | 46,446 |
| Working capital adjustment | | (164) |

| | | |
|---|---|---|
| Contingent consideration | | 7,800 |
| Purchase price | $ | 54,082 |

The contingent consideration is based on the achievement of certain revenue metrics during the two-year period following the acquisition date, with potential earn-out payouts ranging from $0 to $28.0 million. The Company estimated the fair value of the contingent consideration to be $7.8 million as of July 21, 2023, based on the estimated achievement of the revenue metrics and time to payment. The contingent consideration was recorded in Other liabilities in the accompanying condensed consolidated balance sheet as of September 30, 2023. Refer to Note 11. *Fair Value Measurements*.

The purchase price allocations for the Populi acquisition are provisional and are based on the information that was available as of the acquisition date to estimate the fair values of assets acquired and liabilities assumed. The Company is gathering and reviewing additional information necessary to finalize the values assigned to the acquired assets and liabilities assumed, as well as acquired identified intangible assets and goodwill. Therefore, the provisional measurements of fair values reported as of September 30, 2023 are subject to change. The Company is expected to finalize the purchase price allocations as soon as practicable, but no later than one year from the acquisition date. Acquisition-date fair values of assets and liabilities pertaining to this business combination have been allocated as follows:

***(in thousands)***

| **Purchase price allocation:** | | **Preliminary** |
|---|---|---|
| Cash | $ | 1,423 |
| Accounts receivable | | 2,662 |
| Prepaid expenses and other current assets | | 153 |
| Property and equipment | | 42 |
| Intangible assets | | 22,830 |
| Accounts payable and accrued expenses | | (3,316) |
| Deferred revenue | | (4,010) |
| Other liabilities | | (2,354) |
| Total assets acquired and liabilities assumed | | 17,430 |
| Goodwill | | 36,652 |
| Purchase price | $ | 54,082 |

As a result of the Populi acquisition, the Company recorded goodwill, developed software, customer relationships, and tradename of $36.7 million, $21.4 million, $1.3 million, and $0.1 million, respectively, as of the acquisition date. The goodwill recognized includes the fair value of the assembled workforce, which is not recognized as an intangible asset separable from goodwill, and any expected synergies gained through the acquisition. The Company determined that the goodwill resulting from the acquisition is not deductible for tax purposes. All goodwill has been allocated to the Company's one reportable segment.

The developed software represents Populi's proprietary solutions that are designed to assist organizations in optimizing physician relationships, reducing network leakage, and expanding market share. The Company used the income approach, specifically the multi-period excess earnings method, to determine the value of developed software. Significant assumptions include an obsolescence factor, tax rate, and discount rate. The developed software was valued at $21.4 million and is amortized using the economic value method, which represents the pattern of cash flows over the estimated 7-year life of this asset.

Customer relationships represent the estimated fair value of the underlying relationships with the acquired entity's business customers. The Company valued customer relationships using the income approach, specifically the multi-period excess earnings method. Significant assumptions include estimated attrition rates, discount rates, and tax rates reflecting the different risk profiles of the asset depending upon the acquisition. The value assigned to customer relationships is $1.3 million and is amortized using the straight-line method over the estimated remaining useful life of 20 years.

The tradename represents the estimated fair value of the registered trade name associated with the Populi corporate brand. The Company estimated the fair value of the trademark using a relief from royalty method of the income approach. Significant assumptions include forecast of royalty rate, tax rate, and discount rate. The trademark was valued at $0.1 million and is amortized using the straight-line method over the estimated remaining useful life of 1 year.

The amortization periods for the developed software, customer relationships, and tradenames are 7 years, 20 years, and 1 year, respectively. See Note 7 for the estimated total intangible amortization expense during the next five years.

In connection with the acquisition, the Company recognized acquisition related costs of $4.4 million which were recorded within transaction, integration, and restructuring expenses in the accompanying condensed consolidated statements of operations for the nine months ended September 30, 2023.

Unaudited Pro Forma Supplementary Data as if the transaction had occurred on January 1, 2022:

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2023** | **2022** |
| ***(in thousands)*** | | |
| Revenue | $ 189,697 | $ 166,204 |
| Net loss | (280,870) | (36,423) |

These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the operating results of the Company that would have been achieved had the acquisition actually taken place on January 1, 2022. In addition, these results are not intended to be a projection of future results and do not reflect events that may occur after the acquisition, including but not limited to revenue enhancements, cost savings or operating synergies that the combined Company may achieve as a result of the acquisition.

***Analytical Wizards***

On December 22, 2021, Definitive Healthcare, LLC (“DH, LLC”), an indirect wholly owned subsidiary of Definitive Healthcare Corp. made a $40.0 million investment in Analytical Wizards Inc. (“AW” or “Analytical Wizards”), a privately held company. Analytical Wizards automates complex analytic models using tools that expedite efficient big data mining through artificial intelligence and machine learning to uncover deep insights. In the transaction the Company purchased Series B Convertible Preferred Stock of AW (“Series B Preferred Stock”), representing 35% ownership of AW, and an option to acquire the remaining 65% ownership (the "Purchase Option") for $65.0 million. As of December 31, 2021, the Company determined it did not have a controlling financial interest in AW at transaction close as the Company did not have the right to control the governing body of AW or have control through other contractual rights. At December 31, 2021, because the Series B Preferred Stock and the Purchase Option did not have readily determinable fair values, the Company elected to apply the measurement alternative and adjust the carrying value of the investments in AW for impairments and observable prices in identical or similar equity securities of AW. The Company paid $40.0 million for the Series B Preferred Stock and Purchase Option, which was allocated on a relative fair value basis such that the Series B Preferred Stock and Purchase Option had carrying values of $32.7 million and $7.3 million at the time of the transaction, respectively. The Series B Preferred Stock was recorded in Investments in equity securities and the Purchase Option was recorded in Other assets in the accompanying condensed consolidated balance sheet as of December 31, 2021.



In February 2022, the Company completed the purchase the remaining 65% of AW’s equity for $65.0 million, net of cash acquired and an estimated working capital adjustment and other customary purchase price adjustments (the “AW acquisition”). The Company’s previously held investment and Purchase Option were remeasured at fair value as of the date the Purchase Option was exercised. The remeasurement had an immaterial impact on the condensed consolidated statements of operations for the three months ended March 31, 2022. The Company has included the financial results of Analytical Wizards in the condensed consolidated financial statements from February 18, 2022, the date of acquisition.

Upon the consummation of the acquisition, AW became an indirect wholly owned subsidiary of Definitive Healthcare Corp. The total consideration for the initial investment and subsequent exercise of the Purchase Option was $99.4 million, consisting of $40.0 million for the initial investment paid in December 2021, approximately $58.6 million of cash paid at closing, $0.2 million reimbursement from sellers for working capital adjustments, and up to $5.0 million of contingent consideration, initially valued at $1.0 million. The contingent consideration, which relates to earn-out payments that may be paid out, subject to meeting certain expense control metrics during the two-year period following the closing of the AW acquisition, has an estimated fair value of $1.0 million as of the acquisition date. Pursuant to the Stock Purchase Agreement governing the AW acquisition, $10.0 million of the consideration was deposited into an escrow account to secure certain indemnification claims of DH, LLC. The assets acquired and liabilities assumed were recorded at their estimated preliminary fair values and the results of operations were included in the Company’s condensed consolidated results as of the acquisition date.



The consideration transferred for the transaction is summarized as follows:

*(in thousands)*

| | | |
|---|---|---|
| Initial cash investment in December 2021 | $ | 40,000 |
| Cash consideration paid at closing | | 58,645 |
| Working capital adjustment | | (202) |
| Contingent consideration | | 1,000 |
| Purchase price | $ | 99,443 |

The contingent consideration was based on the achievement of certain expense control metrics during the two-year period following the acquisition date, with potential earn-out payouts ranging from $0 to $5.0 million. The Company estimated the fair value of the contingent consideration to be $1.0 million as of February 18, 2022, based on the estimated achievement of the expense control metrics and time to payment. The Company estimated the fair value of the contingent consideration to be $2.3 million at June 30, 2023 September 30, 2023. The contingent consideration was recorded in accrued expenses and other current liabilities in the accompanying condensed consolidated balance sheet as of June 30, 2023 September 30, 2023. Refer to Note 11. *Fair Value Measurements*.

The Company finalized the purchase price allocations of the AW acquisition during the first quarter of 2023. Acquisition-date fair values of assets and liabilities pertaining to this business combination have been allocated as follows:

*(in thousands)*

| Purchase price allocation: | Preliminary, as originally reported | Measurement period adjustments | As adjusted |
|---|---|---|---|
| Cash | $ 2,146 | $ — | $ 2,146 |
| Accounts receivable | 3,575 | (50) | 3,525 |
| Prepaid expenses and other current assets | 506 | 341 | 847 |
| Property and equipment | 134 | — | 134 |
| Intangible assets | 46,000 | — | 46,000 |
| Right-of-use asset, operating leases | 832 | — | 832 |
| Other assets | — | 703 | 703 |
| Accounts payable and accrued expenses | (485) | (543) | (1,028) |
| Deferred revenue | (3,691) | 326 | (3,365) |
| Right-of-use liability, operating leases | (832) | — | (832) |
| Deferred taxes | (10,345) | 67 | (10,278) |
| Other liabilities | (267) | (633) | (900) |
| Total assets acquired and liabilities assumed | 37,573 | 211 | 37,784 |
| Goodwill | 62,072 | (413) | 61,659 |
| Purchase price | $ 99,645 | $ (202) | $ 99,443 |

As a result of the AW acquisition, the Company recorded goodwill, customer relationships, developed software, and tradename of $61.5 million, $39.4 million, $6.1 million, and $0.5 million, respectively, as of the acquisition date. The goodwill recognized includes the fair value of the assembled workforce, which is not recognized as an intangible asset separable from goodwill, and any expected synergies gained through the acquisition. The Company determined that the goodwill resulting from the acquisition is not deductible for tax purposes. All goodwill has been allocated to the Company's one reportable segment.



Customer relationships represent the estimated fair value of the underlying relationships with the acquired entity's business customers. The Company valued customer relationships using the income approach, specifically the multi-period excess earnings method. Significant assumptions include estimated attrition rates, discount rates, and tax rates reflecting the different risk profiles of the asset depending upon the acquisition. The value assigned to customer relationships is $39.4 million and is amortized using the annual pattern of cash flows (economic value method) over the estimated 20-year life of this asset.

The developed software represents AW's two modules. Passport Promotional Analytics helps customers to optimize internal investment and business management by focusing on driving incremental efficiencies in sales, cost management, profit optimization, and productive gains. Passport Planning and Performance helps customers to analyze large data sets in order to proactively predict business outcomes. The Company used the income approach, specifically the relief-from-royalty method, to determine the value of developed software. Significant assumptions include forecast of royalty rate, tax rate, and discount rate. The developed software was valued at $6.1 million and is amortized using the straight-line method over the estimated remaining useful life of 6 years.

The tradename represents the estimated fair value of the registered trade name associated with the AW corporate brand. The Company estimated the fair value of the trademark using a relief from royalty method of the income approach. Significant assumptions include forecast of royalty rate, tax rate, and discount rate. The trademark was valued at $0.5 million and is amortized using the straight-line method over the estimated remaining useful life of 5 years.

The amortization periods for the customer relationships, developed software, and tradenames are 20 years, 6 years, and 5 years, respectively. See Note 7 for the estimated total intangible amortization expense during the next five years.

In connection with the acquisition, the Company recognized acquisition related costs of $1.3 million which were recorded within transaction expenses in the accompanying condensed consolidated statements of operations for the year ended December 31, 2022.

During the six nine months ended June 30, 2022 September 30, 2022, AW's post-acquisition revenue and net loss on a standalone basis were not material.

Unaudited Pro Forma Supplementary Data:

| | Six Months Ended June 30, 2022 | Nine Months Ended September 30, 2022 |
|---|---|---|
| ***(in thousands)*** | **(As Restated)** | **(As Restated)** |

| | | |
|---|---|---|
| Revenue | $ 106,149 | $ 163,531 |
| Net loss | (22,681) | (29,566) |

The unaudited pro forma supplementary data presented in the table above shows the effect of the AW acquisitions as if the transaction had occurred on January 1, 2022.



### 3. Revenue

The Company disaggregates revenue from its arrangements with customers by type of service as it believes these categories best depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

The following table represents a disaggregation of revenue from arrangements with customers for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively:

| | **Three Months Ended June 30,** | | **Six Months Ended June 30,** | | **Three Months Ended September 30,** | | **Nine Months Ended September 30,** | |
|---|---|---|---|---|---|---|---|---|
| ***(in thousands)*** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| Subscription services | $ 59,274 | $ 53,211 | $ 117,791 | $ 102,980 | $ 62,568 | $ 56,156 | $ 180,358 | $ 159,136 |
| Professional services | 1,683 | 1,337 | 2,367 | 1,692 | 2,757 | 1,226 | 5,125 | 2,918 |
| Total revenue | $ 60,957 | $ 54,548 | $ 120,158 | $ 104,672 | $ 65,325 | $ 57,382 | $ 185,483 | $ 162,054 |

The opening and closing balances of the Company's receivables, deferred contract costs and contract liabilities from contracts with customers are as follows:

| ***(in thousands)*** | **June 30, 2023** | **December 31, 2022** | **September 30, 2023** | **December 31, 2022** |
|---|---|---|---|---|
| Accounts receivable, net | $ 44,519 | $ 58,799 | $ 41,308 | $ 58,799 |
| Deferred contract costs, current portion | 11,889 | 10,387 | 12,396 | 10,387 |

| | | | | |
|---|---|---|---|---|
| Deferred contract costs, long-term | 16,171 | 14,596 | 16,132 | 14,596 |
| Deferred revenues | 97,645 | 99,928 | 89,781 | 99,928 |

***Deferred Contract Costs***

A summary of the activity impacting the deferred contract costs for the six nine months ended June 30, 2023 September 30, 2023 and the year ended December 31, 2022 is presented below:

| *(in thousands)* | Six Months Ended June 30, 2023 | Twelve Months Ended December 31, 2022 | Nine Months Ended September 30, 2023 | Twelve Months Ended December 31, 2022 |
|---|---|---|---|---|
| Balance at beginning of period | $ 24,983 | $ 18,547 | $ 24,983 | $ 18,547 |
| Costs amortized | (6,030) | (8,816) | (9,475) | (8,816) |
| Additional amounts deferred | 9,107 | 15,252 | 13,020 | 15,252 |
| Balance at end of period | 28,060 | 24,983 | 28,528 | 24,983 |
| Classified as: | | | | |
| Current | 11,889 | 10,387 | 12,396 | 10,387 |
| Non-current | 16,171 | 14,596 | 16,132 | 14,596 |
| Total deferred contract costs (deferred commissions) | $ 28,060 | $ 24,983 | $ 28,528 | $ 24,983 |

***Contract Liabilities***

A summary of the activity impacting deferred revenue balances during the six nine months ended June 30, 2023 September 30, 2023 and for the year ended December 31, 2022 is presented below:

| *(in thousands)* | Six Months Ended June 30, 2023 | Twelve Months Ended December 31, 2022 | Nine Months Ended September 30, 2023 | Twelve Months Ended December 31, 2022 |
|---|---|---|---|---|
| Balance at beginning of period | $ 99,928 | $ 84,023 | $ 99,928 | $ 84,023 |
| Revenue recognized | (120,158) | (222,653) | (185,483) | (222,653) |

| | | | | |
|---|---|---|---|---|
| Additional amounts deferred | 117,875 | 238,558 | 175,336 | 238,558 |
| Balance at end of period | $ 97,645 | $ 99,928 | $ 89,781 | $ 99,928 |

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### *Remaining Performance Obligations*

Transaction price allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes unearned revenue and unbilled amounts that will be invoiced and recognized as revenue in future periods. Transaction price allocated to remaining performance obligations is influenced by several factors, including seasonality, the timing of renewals, and disparate contract terms. Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes unearned revenue and backlog. The Company's backlog represents installment billings for periods beyond the current billing cycle. The majority of the Company's noncurrent remaining performance obligations will be recognized in the next 13 to 36 months.

The remaining performance obligations consisted of the following:

| *(in thousands)* | June 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 |
|---|---|---|---|---|
| Current | $ 176,521 | $ 183,527 | $ 170,782 | $ 183,527 |
| Non-current | 87,405 | 93,464 | 82,462 | 93,464 |
| Total | $ 263,926 | $ 276,991 | $ 253,244 | $ 276,991 |

## 4. Short-term Investments

Short-term investments classified as available-for-sale consisted of the following:

| | September 30, 2023 | | | |
|---|---|---|---|---|
| *(in thousands)* | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
| Short-term investments: | | | | |
| US Treasuries | $ 96,668 | $ — | $ (197) | $ 96,471 |
| Agency bonds | 1,107 | — | — | 1,107 |
| Corporate Bonds | 2,280 | — | — | 2,280 |
| Commercial paper | 104,719 | 1 | (74) | 104,646 |

| | | | | |
|---|---|---|---|---|
| Certificates of deposit | 25,072 | 3 | (14) | 25,061 |
| Total short-term investments | $ 229,846 | $ 4 | $ (285) | $ 229,565 |

| | June 30, 2023 | | | | December 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| *(in thousands)* | **Amortized Cost** | **Gross Unrealized Gains** | **Gross Unrealized Losses** | **Fair Value** | **Amortized Cost** | **Gross Unrealized Gains** | **Gross Unrealized Losses** | **Fair Value** |
| Short-term investments: | | | | | | | | |
| US Treasuries | $ 102,241 | $ — | $ (341) | $ 101,900 | $ 59,849 | $ 3 | $ (129) | $ 59,723 |
| Agency bonds | 3,303 | — | (5) | 3,298 | 6,450 | 4 | (2) | 6,452 |
| Commercial paper | 79,400 | — | (104) | 79,296 | 95,831 | 29 | (123) | 95,737 |
| Certificates of deposit | 34,059 | 2 | (40) | 34,021 | 23,034 | 17 | (24) | 23,027 |
| Total short-term investments | $ 219,003 | $ 2 | $ (490) | $ 218,515 | $ 185,164 | $ 53 | $ (278) | $ 184,939 |

| | December 31, 2022 | | | |
|---|---|---|---|---|
| *(in thousands)* | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
| Short-term investments: | | | | |
| US Treasuries | $ 59,849 | $ 3 | $ (129) | $ 59,723 |
| Agency bonds | 6,450 | 4 | (2) | 6,452 |
| Commercial paper | 95,831 | 29 | (123) | 95,737 |
| Certificates of deposit | 23,034 | 17 | (24) | 23,027 |
| Total short-term investments | $ 185,164 | $ 53 | $ (278) | $ 184,939 |

All short-term investments had stated maturity dates of less than one year.

**5. Accounts Receivable**

Accounts receivable consisted of the following:

| *(in thousands)* | June 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 |
|---|---|---|---|---|
| Accounts receivable | $ 45,526 | $ 59,780 | $ 42,037 | $ 59,780 |
| Unbilled receivable | 527 | 881 | 959 | 881 |
| | 46,053 | 60,661 | 42,996 | 60,661 |
| Less: allowance for doubtful accounts | (1,534) | (1,862) | (1,688) | (1,862) |
| Accounts receivable, net | $ 44,519 | $ 58,799 | $ 41,308 | $ 58,799 |



**6. Property and Equipment**

Property and equipment consisted of the following:

| *(in thousands)* | June 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 |
|---|---|---|---|---|
| Computers and software | $ 6,748 | $ 5,924 | $ 7,003 | $ 5,924 |
| Furniture and equipment | 1,162 | 1,204 | 1,420 | 1,204 |
| Leasehold improvements | 2,227 | 2,134 | 2,283 | 2,134 |
| | 10,137 | 9,262 | 10,706 | 9,262 |
| Less: accumulated depreciation and amortization | (5,649) | (4,798) | (6,078) | (4,798) |
| Property and equipment, net | $ 4,488 | $ 4,464 | $ 4,628 | $ 4,464 |

Depreciation and amortization expense associated with property and equipment was $0.4 million and $0.8 0.5 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and $1.0 1.3 million and $1.3 1.7 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively.



**7. Goodwill and Intangible Assets**

The carrying amounts of goodwill and intangible assets, as of June 30, 2023 September 30, 2023 and December 31, 2022, consisted of the following:

| | June 30, 2023 | | | September 30, 2023 | | |
|---|---|---|---|---|---|---|
| ***(in thousands)*** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net Carrying Amount** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net Carrying Amount** |
| Finite-lived intangible assets: | | | | | | |
| Customer relationships | $ 409,430 | $ (145,993) | $ 263,437 | $ 410,710 | $ (154,789) | $ 255,921 |
| Developed technologies | 56,908 | (29,580) | 27,328 | 78,324 | (31,627) | 46,697 |
| Tradenames | 35,893 | (8,208) | 27,685 | 36,021 | (8,775) | 27,246 |
| Database | 50,205 | (42,861) | 7,344 | 50,204 | (44,041) | 6,163 |
| Total finite-lived intangible assets | 552,436 | (226,642) | 325,794 | 575,259 | (239,232) | 336,027 |
| Goodwill | 1,324,733 | — | 1,324,733 | 1,073,986 | — | 1,073,986 |
| Total goodwill and intangible assets | $ 1,877,169 | $ (226,642) | $ 1,650,527 | $ 1,649,245 | $ (239,232) | $ 1,410,013 |

| | December 31, 2022 | | |
|---|---|---|---|
| ***(in thousands)*** | **Gross Carrying Amount** | **Accumulated Amortization (As Restated)** | **Net Carrying Amount** |
| Finite-lived intangible assets: | | | |
| Customer relationships | $ 409,430 | $ (128,745) | $ 280,685 |
| Developed technologies | 56,965 | (25,514) | 31,451 |
| Tradenames | 35,914 | (7,150) | 28,764 |
| Database | 50,215 | (40,393) | 9,822 |
| Total finite-lived intangible assets | 552,524 | (201,802) | 350,722 |
| Goodwill | 1,324,733 | — | 1,324,733 |

| | | | |
|---|---|---|---|
| Total goodwill and intangible assets | $ 1,877,257 | $ (201,802) | $ 1,675,455 |

Amortization expense associated with finite-lived intangible assets was $12.3 12.6 million and $15.1 12.7 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, of which $3.1 million and $5.6 3.2 million was included in cost of revenue for the respective periods. each period. Amortization expense associated with finite-lived intangible assets was $24.8 37.4 million and $29.8 42.5 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively, of which $6.4 9.7 million and $11.0 14.1 million was included in cost of revenue for the respective periods.

Estimated total intangible amortization expense during the next five years and thereafter is as follows:

| *(in thousands)* | | |
|---|---|---|
| 2023, excluding the six months ended June 30, 2023 | $ 25,016 | |
| 2023, excluding the nine months ended September 30, 2023 | | $ 12,479 |
| 2024 | 46,938 | 48,455 |
| 2025 | 42,372 | 45,945 |
| 2026 | 34,874 | 39,305 |
| 2027 | 28,559 | 33,357 |
| Thereafter | 148,035 | 156,486 |
| Total | $ 325,794 | $ 336,027 |

The Company determined it had one reporting unit. There was no



***Goodwill Impairment***

Goodwill and acquired intangible assets are initially recorded at fair value and tested periodically for impairment. The Company performs an impairment test of goodwill during the fourth quarter of each fiscal year and more frequently if indicators of potential impairment arise.

During the three months ended September 30, 2023, the Company experienced a decline in its market capitalization as a result of a sustained decrease in the six months ended June 30, 2023 Company's stock price, which represented a triggering event requiring management to perform a quantitative goodwill impairment test as of September 30, 2023. As a result of the impairment test, the Company determined that the fair value of its single reporting unit was lower than its carrying value and, accordingly, recorded a non-cash, pretax, goodwill impairment charge of $287.4 million. The goodwill impairment charge did not affect the Company's liquidity or 2022. the financial covenants in any of its outstanding debt agreements.

In calculating the goodwill impairment charge, the Company estimated the fair value of its single reporting unit using a combination of an income and market approach. The income approach utilizes a discounted cash flow model associated with the business, including the amount and timing of future expected cash flows, tax attributes, technology and customer attrition rates, a terminal value growth rate, and an appropriate market-participant, risk-adjusted, weight average cost of capital in each case using estimates that the Company considered to be reasonable and appropriate. The market approach utilizes the Company's market capitalization, plus an appropriate control premium. Market capitalization is determined by multiplying the number of shares of Class A Common Stock outstanding by the market price of its Class A Common Stock. The control premium is determined by utilizing data from publicly available premium studies for similarly situated public company transactions. A goodwill impairment loss is recognized for the difference between the carrying value of the reporting unit and the fair value.

As of September 30, 2023 and December 31, 2022, goodwill consisted of the following:

| *(in thousands)* | Nine Months Ended September 30, 2023 | Twelve Months Ended December 31, 2022 |
|---|---|---|
| Goodwill - beginning of period | $ 1,324,733 | $ 1,263,075 |
| Goodwill acquired during period | 36,653 | 61,658 |
| Goodwill impairment loss | (287,400) | — |
| Goodwill - end of period | $ 1,073,986 | $ 1,324,733 |

The Company also considered its intangible assets with finite useful lives, which are amortized over their estimated useful lives, generally on a straight-line basis. These assets are reviewed for impairment when facts or circumstances indicate that the carrying values may not be recoverable. The decline in the Company’s market capitalization driven by a sustained decrease in the Company’s stock price was considered to represent a triggering event and the Company’s intangible assets were reviewed for impairment. Based on quantitative and qualitative analyses performed, management concluded the assets were recoverable and no impairment charge was recorded.



## 8. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

| *(in thousands)* | June 30, 2023 | December 31, 2022 (As Restated) | September 30, 2023 | December 31, 2022 (As Restated) |
|---|---|---|---|---|
| Payroll and payroll-related | $ 7,692 | $ 11,961 | $ 10,503 | $ 11,961 |

| | | | | |
|---|---|---|---|---|
| Tax receivable agreement, current portion | 7,450 | — | 6,673 | — |
| Contingent consideration, current | 2,250 | — | 2,250 | — |
| Sales, franchise, and other taxes | 10,801 | 11,738 | 11,352 | 11,738 |
| Other | 5,045 | 3,156 | 5,208 | 3,156 |
| Accrued expenses and other current liabilities | $ 33,238 | $ 26,855 | $ 35,986 | $ 26,855 |

On January 12, 2023, During the first and third quarters of 2023, the Company announced a restructuring plan plans intended to reduce operating costs, improve operating margins, and continue advancing the Company's ongoing commitment to profitable growth. During the three and six nine months ended June 30, 2023 September 30, 2023, the Company incurred restructuring and related charges of $0.3 2.1 million and $2.5 4.6 million, respectively, consisting primarily of severance payments, employee benefits, and related cash expenses. These charges were recognized within Transaction, integration, and restructuring expenses in the Company's condensed consolidated statements of operations. As of June 30, 2023 September 30, 2023, $2.1 million has been paid and the remaining $0.4 0.5 million is included in Accrued accrued expenses and other current liabilities in the condensed consolidated balance sheets. The Company expects these remaining payments to will be made over the next three months. In addition, the Company expects does not expect to incur an additional $0.2 million in expense through the third quarter of 2023 any further material charges associated with the restructuring plan. plans.

In the first quarter of 2023, the Company began a review of its sales tax positions, and related accounting matters, with the assistance of outside consultants. As a result of the review, the Company determined during the second quarter of 2023 that sales in certain states were subject to sales tax and that the Company had not assessed such sales tax on sales of its services to customers. As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company has accrued recorded a sales tax accrual, which includes assumed maximum penalties and interest of $8.8 9.2 million and $8.1 million, respectively.



**9. Long-Term Debt**

Long-term debt consisted of the following as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively:

| June 30, 2023 | September 30, 2023 |
|---|---|

| *(in thousands)* | Principal | Unamortized debt issuance costs / financing costs | Total debt, net | Principal | Unamortized debt issuance costs / financing costs | Total debt, net |
|---|---|---|---|---|---|---|
| 2021 Term Loan | $ 262,969 | $ (1,772) | $ 261,197 | $ 261,250 | $ (1,634) | $ 259,616 |
| Less: current portion of long-term debt | | | 12,031 | | | 13,750 |
| Long-term debt | | | $ 249,166 | | | $ 245,866 |

| *(in thousands)* | December 31, 2022 Principal | Unamortized debt issuance costs / financing costs | Total debt, net |
|---|---|---|---|
| 2021 Term Loan | $ 266,406 | $ (2,047) | $ 264,359 |
| Less: current portion of long-term debt | | | 8,594 |
| Long-term debt | | | $ 255,765 |

During the six nine months ended June 30, 2023 September 30, 2023, the Company repaid $3.4 5.2 million in outstanding principal of the 2021 Term Loan (as defined below).

2021 Credit Agreement

In September 2021, DH Holdings entered into a credit agreement (the “2021 Credit Agreement”) with Bank of America, N.A., as administrative agent, the other lenders party thereto and the other parties specified therein. The 2021 Credit Agreement provides for (i) a $275.0 million term loan A facility (the “2021 Term Loan”) and (ii) a $75.0 million revolving credit facility (the “2021 Revolving Line of Credit” and, together with the 2021 Term Loan, collectively, the “2021 Credit Facilities”), the proceeds of which were used to repay a portion of the indebtedness outstanding under a previous credit agreement. Both the 2021 Term Loan and the 2021 Revolving Line of Credit mature on September 17, 2026. The 2021 Credit Facilities include customary affirmative, negative, and financial covenants. The 2021 Credit Facilities are guaranteed by all of DH Holdings' wholly owned domestic restricted subsidiaries and AIDH Buyer, LLC, a Delaware limited liability company and the direct parent company of DH Holdings, in each case, subject to customary exceptions, and are secured by a lien on substantially all of the assets of DH Holdings and the guarantors, including a pledge of the equity of DH Holdings, in each case, subject to customary exceptions.

The 2021 Term Loan is subject to annual amortization of principal, payable in equal quarterly installments on the last day of each fiscal quarter, commencing on December 31, 2021 (the "Initial Amortization Date"), equal to approximately 2.5% per annum of the principal amount of the term loans in the first year and second year after the Initial Amortization Date and approximately 5.0% per annum of the principal amount of the term loans in the third year, fourth year, and fifth year after the Initial Amortization Date. A balloon payment of approximately $220.0 million will be due at the maturity of the 2021 Term Loan. There was $263.0 261.3 million outstanding on the 2021 Term Loan at June 30, 2023 September 30, 2023.

DH Holdings is required to pay the lenders under the 2021 Credit Agreement an unused commitment fee of between 0.25% and 0.30% per annum on the undrawn commitments under the 2021 Revolving Line of Credit, depending on the total net leverage ratio, quarterly in arrears. The expense is included in interest expense in the statements of operations. There was no outstanding balance on the 2021 Revolving Line of Credit at June 30, 2023 September 30, 2023.

For both the 2021 Term Loan and 2021 Revolving Line of Credit, DH Holdings may elect from several interest rate options based on the LIBO Rate or the Base Rate plus an applicable margin. The applicable margin is based on the total leverage ratio beginning in the fiscal year ended December 31, 2022. As of June 30, 2023 September 30, 2023, the effective interest rate was 6.95 7.17%.

On October 31, 2022, the Company amended the 2021 Credit Agreement to replace the LIBO rate with Term SOFR Secured Overnight Financing Rate ("SOFR") plus an applicable rate.

In connection with the 2021 Credit Agreement, the Company capitalized financing costs totaling $3.5 million, $2.8 million for the 2021 Term Loan facility and $0.8 million for the 2021 Revolving Line of Credit. The financing costs associated with the 2021 Term Loan facility are recorded as a contra-debt balance in Term loan, net of current portion in the condensed consolidated balance sheets and are amortized over the remaining life of the loan using the effective interest method. The financing costs associated with the 2021 Revolving Line of Credit are recorded in Other assets in the condensed consolidated balance sheet are amortized over the life of the arrangement. At June 30, 2023 September 30, 2023, the unamortized financing costs were $0.5 0.4 million.



**10. Derivative Instruments and Hedging Activities**

***Risk Management Objective of Using Derivatives***

The Company is exposed to risks from changes in interest rates related to the 2021 Term Loan (See Note 9. *Long-Term Debt*). The Company uses derivative financial instruments, specifically, interest rate swap contracts, in order to manage its exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Our primary objective in holding derivatives is to reduce the volatility of cash flows associated with changes in interest rates. The Company does not enter into derivative transactions for speculative or trading purposes.

***Cash Flow Hedges of Interest Rate Risk***

The Company entered into two interest rate swap agreements, effective on March 31, 2022. Until October 31, 2022, the counterparties to each of the agreements paid the Company interest at a floating rate on the notional amounts based on the one-month USD-LIBOR swap rate. On October 31, 2022, in conjunction with the amendment to the 2021 Credit Agreement (See Note 9. *Long-Term Debt*), the Company amended the two interest rate swap agreements to replace the LIBO rate with Term SOFR. As a result, subsequent to October 31, 2022, the counterparties paid and will continue to pay interest at a floating rate based on Term SOFR.

As of June 30, 2023 September 30, 2023, the two outstanding interest rate swap agreements each had a notional value of $65.7 65.3 million with fixed interest rates of 1.909 1.90650% and 1.9065 1.90900%. Interest payments under the swaps are made monthly on a net settlement basis. The Company has not recorded any amounts due to ineffectiveness for the period ended June 30, 2023 September 30, 2023. The notional value of each interest rate swap agreement is expected to match the corresponding principal amount of a portion of our borrowings under the 2021 Term Loan. The swap agreements mature on March 31, 2025.

The derivative interest rate swaps are designated and qualify as cash flow hedges. Consequently, the change in the estimated fair value of the effective portion of the derivative is recognized in accumulated other comprehensive income ("AOCI") on our consolidated balance sheets and reclassified to interest expense, net, when the underlying transaction has an impact on earnings. The Company expects to recognize approximately $4.2 4.3 million of net pre-tax gains from accumulated other comprehensive income as a reduction of interest expense in the next twelve months associated with its interest rate swaps. The Company recognizes derivative instruments and hedging activities on a gross basis as either assets or liabilities on the Company's consolidated balance sheets and measures them at fair value. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the earnings effect of the hedged forecasted transactions in a cash flow hedge. To receive hedge accounting treatment, all hedging relationships are formally documented at the inception of the hedge, and the hedges must be highly effective in offsetting changes to future cash flows on hedged transactions.

The fair values of the interest rate swaps and their respective locations in our condensed consolidated balance sheets at June 30, 2023 September 30, 2023 and December 31, 2022 were as follows:

| ***(in thousands)*** Description | Balance Sheet Location | June 30, 2023 | December 31, 2022 | Balance Sheet Location | September 30, 2023 | December 31, 2022 |
|---|---|---|---|---|---|---|

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-term derivative asset | Prepaid expenses and other current assets | $ | 4,209 | $ | 3,716 | Prepaid expenses and other current assets | $ | 4,266 | $ | 3,716 |
| Long-term derivative asset | Other assets | | 2,098 | | 2,834 | Other assets | | 1,600 | | 2,834 |

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## 11. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), defines fair value as the price that would be received for an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date, and establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value as follows:

Level 1 - Observable inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Other inputs that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs that are supported by little or no market activity, including the Company's own assumptions in determining fair value.

The Company's financial assets and liabilities subject to the three-level fair value hierarchy consist principally of cash and equivalents, short-term investments, accounts receivable, accounts payable, long-term and short-term debt, and contingent consideration payable. The estimated fair value of cash included in cash and cash equivalents, accounts receivable, and accounts payable approximates their carrying value due to due to their short maturities (less than 12 months).

***Debt***

The Company's short- and long-term debt are recorded at their carrying values in the condensed consolidated balance sheets, which may differ from their respective fair values. The carrying values and estimated fair values of the

Company’s short- and long-term debt approximate their carrying values as of June 30, 2023 September 30, 2023 and December 31, 2022, based on interest rates currently available to the Company for similar borrowings.

***Money market funds (included in cash and cash equivalents)***

Money market funds are recorded at fair value using quoted market prices in active markets and are classified as Level 1 in the fair value hierarchy.

***Short-term investments***

The Company estimates the fair values of investments in U.S. treasuries, agency bond securities, commercial paper, and certificates of deposit using level 2 inputs, taking into consideration valuations obtained from a third-party pricing service. The pricing services utilize industry standard valuation models, including both income and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities, issuer credit spreads, market yield curves, benchmark securities, prepayment/default projections based on historical data, and other observable inputs.

***Derivative financial instruments***

Currently, the Company uses interest rate swaps to manage interest rate risk. The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, and implied volatilities.

To comply with the provisions of ASC 820, the Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty’s nonperformance risk in the fair value measurements.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. The Company has determined that the significance of the impact of the credit valuation adjustments made to its derivative contracts, which determination was based on the fair value of each individual contract, was not significant to the overall valuation. As a result, all of its derivatives held as of June 30, 2023 September 30, 2023 and December 31, 2022 were classified as Level 2 in the fair value hierarchy.

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***Contingent consideration***

The deferred consideration resulting from the acquisition of Populi in the third quarter of 2023, which is subject to meeting certain revenue metrics during calendar years 2024 and 2025, is measured at fair value on a recurring basis. The fair value was estimated based on the present value of the amount expected to be paid at the end of the measurement period. At September 30, 2023, the fair value of the contingent consideration was estimated to be $7.8 million and was included in other long-term liabilities on the condensed consolidated balance sheets.

The deferred consideration that resulted from the acquisition of Analytical Wizards in the first quarter of 2022, which is subject to the meeting of certain expense control metrics during the two-year period following the acquisition, is also measured at fair value on a recurring basis. The fair value was estimated based on the present value of the amount expected to be paid at the end of the measurement period. At June 30, 2023 September 30, 2023, the fair value of the contingent consideration was estimated to be $2.3 million and is was included in Accrued accrued expenses and other current liabilities on the condensed consolidated balance sheet. sheets.

Earnout liabilities are classified within Level 3 in the fair value hierarchy because the methodology used to develop the estimated fair value includes significant unobservable inputs reflecting management's own assumptions. The table below presents a reconciliation of earnout liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

| *(in thousands)* | June 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 |
|---|---|---|---|---|
| Balance at beginning of period | $ 2,250 | $ 7,500 | $ 2,250 | $ 7,500 |
| Additions | — | 1,000 | 7,800 | 1,000 |
| Net change in fair value and other adjustments | — | 1,250 | — | 1,250 |
| Payments | — | (7,500) | — | (7,500) |
| Balance at end of period | $ 2,250 | $ 2,250 | $ 10,050 | $ 2,250 |



***Non-recurring fair value measurements***

Certain assets and liabilities, including property, plant, and equipment, lease right-of-use assets, goodwill, and other intangible assets, are measured at fair value on a non-recurring basis. These assets are remeasured when the derived fair value is below the carrying value on the Company's condensed consolidated balance sheet. For these assets, the Company does not periodically adjust carrying value to fair value except in the event of impairment. When impairment has occurred, the Company measures the required charges and adjusts the carrying value as discussed in Note 2. *Summary of Significant Accounting Policies* of the notes to the consolidated financial statements in the Company's 2022 Form 10-K/A.

The Company performed an interim goodwill impairment test during the third quarter of 2023 and concluded that the carrying value of its single reporting unit exceeded its fair value and recorded a $287.4 million non-cash goodwill impairment charge for the three months ended September 30, 2023. See Note 7. *Goodwill and Intangible Assets*.

At June 30, 2023 September 30, 2023 and December 31, 2022, assets and liabilities measured at fair value on a recurring basis were as follows:

| | June 30, 2023 | | | |
|---|---|---|---|---|
| ***(in thousands)*** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| Assets: | | | | |
| Cash and cash equivalents: | | | | |
| Money market funds | $ 22,160 | $ 22,160 | $ — | $ — |
| Commercial paper (maturities less than 90 days) | 768 | — | 768 | — |
| Short-term investments: | | | | |
| U.S. Treasuries | 101,900 | — | 101,900 | — |
| Agency bonds | 3,298 | — | 3,298 | — |
| Commercial paper | 79,296 | — | 79,296 | — |
| Certificates of deposit | 34,021 | — | 34,021 | — |
| Prepaid expenses and other current assets: | | | | |
| Interest rate swap contracts | 4,209 | — | 4,209 | — |
| Other assets: | | | | |
| Interest rate swap contracts | 2,098 | — | 2,098 | — |
| Liabilities: | | | | |
| Accrued expenses and other current liabilities: | | | | |
| Contingent consideration | 2,250 | — | — | 2,250 |

| | December 31, 2022 | | | |
|---|---|---|---|---|
| ***(in thousands)*** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| Assets: | | | | |
| Cash and cash equivalents: | | | | |
| Money market funds | $ 39,523 | $ 39,523 | $ — | $ — |
| Commercial paper (maturities less than 90 days) | 2,276 | — | 2,276 | — |
| Certificates of deposit (maturities less than 90 days) | 1,549 | — | 1,549 | — |

| | | | | |
|---|---|---|---|---|
| Agency bonds (maturities less than 90 days) | 768 | — | 768 | — |
| Short-term investments: | | | | |
| U.S. Treasuries | 59,723 | — | 59,723 | — |
| Agency bonds | 6,452 | — | 6,452 | — |
| Commercial paper | 95,737 | — | 95,737 | — |
| Certificates of deposit | 23,027 | — | 23,027 | — |
| Prepaid expenses and other current assets: | | | | |
| Interest rate swap contracts | 3,716 | — | 3,716 | — |
| Other assets: | | | | |
| Interest rate swap contracts | 2,834 | — | 2,834 | — |
| Liabilities: | | | | |
| Other long-term liabilities: | | | | |
| Contingent consideration | 2,250 | — | — | 2,250 |

| | September 30, 2023 | | | |
|---|---|---|---|---|
| ***(in thousands)*** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| Assets: | | | | |
| Cash and cash equivalents: | | | | |
| Money market funds | $ 46,946 | $ 46,946 | $ — | $ — |
| Commercial paper (maturities less than 90 days) | 6,222 | — | 6,222 | — |
| Short-term investments: | | | | |
| U.S. Treasuries | 96,471 | — | 96,471 | — |
| Agency bonds | 1,107 | — | 1,107 | — |
| Corporate Bonds | 2,280 | — | 2,280 | |
| Commercial paper | 104,646 | — | 104,646 | — |
| Certificates of deposit | 25,061 | — | 25,061 | — |
| Prepaid expenses and other current assets: | | | | |
| Interest rate swap contracts | 4,266 | — | 4,266 | — |
| Other assets: | | | | |
| Interest rate swap contracts | 1,600 | — | 1,600 | — |
| Liabilities: | | | | |
| Accrued expenses and other current liabilities: | | | | |
| Current portion of contingent consideration | 2,250 | — | — | 2,250 |

| | | | | |
|---|---|---|---|---|
| Other long-term liabilities | | | | |
| Long-term portion of contingent consideration | 7,800 | — | — | 7,800 |

| | December 31, 2022 | | | |
|---|---|---|---|---|
| *(in thousands)* | Total | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Cash and cash equivalents: | | | | |
| Money market funds | $ 39,523 | $ 39,523 | $ — | $ — |
| Commercial paper (maturities less than 90 days) | 2,276 | — | 2,276 | — |
| Certificates of deposit (maturities less than 90 days) | 1,549 | — | 1,549 | — |
| Agency bonds (maturities less than 90 days) | 768 | — | 768 | — |
| Short-term investments: | | | | |
| U.S. Treasuries | 59,723 | — | 59,723 | — |
| Agency bonds | 6,452 | — | 6,452 | — |
| Commercial paper | 95,737 | — | 95,737 | — |
| Certificates of deposit | 23,027 | — | 23,027 | — |
| Prepaid expenses and other current assets: | | | | |
| Interest rate swap contracts | 3,716 | — | 3,716 | — |
| Other assets: | | | | |
| Interest rate swap contracts | 2,834 | — | 2,834 | — |
| Liabilities: | | | | |
| Other long-term liabilities: | | | | |
| Contingent consideration | 2,250 | — | — | 2,250 |

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At June 30, 2023 September 30, 2023 and December 31, 2022, except for the contingent consideration noted above, the estimated fair values of all of the Company's financial assets and liabilities subject to the three-level fair value hierarchy approximated their carrying values due to their short-term maturities (less than 12 months).

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**12. Noncontrolling Interest**

Definitive Healthcare Corp. operates and controls all of the business and affairs of Definitive OpCo, and through Definitive OpCo and its subsidiaries, conducts its business. Accordingly, Definitive Healthcare Corp. consolidates the financial results of Definitive OpCo, and reports the noncontrolling interests of its consolidated subsidiaries on its condensed consolidated financial statements based on the LLC Units held by Continuing Pre-IPO LLC Members other than Definitive Healthcare Corp. Changes in Definitive Healthcare Corp.'s ownership interest in its consolidated subsidiaries are accounted for as equity transactions. As such, future redemptions or direct exchanges of LLC Units by such Continuing Pre-IPO LLC Members will result in a change in ownership and reduce or increase the amount recorded as noncontrolling interests and increase or decrease additional paid-in capital in the Company’s Condensed Consolidated Balance Sheets.

During the six nine months ended June 30, 2023 September 30, 2023, 7,489,599 10,547,065 LLC Units held by Continuing Pre-IPO LLC Members were exchanged for shares of Class A Common Stock of Definitive Healthcare Corp. pursuant to the terms of the Amended LLC Agreement. In addition, 690,370 904,919 restricted stock units vested and 233,078 308,295 shares were withheld to cover withholding tax obligations, resulting in the net issuance of 457,292 596,624 shares of Class A Common Stock of Definitive Healthcare Corp., for which LLC Units were issued on a one-for-one basis pursuant to the Definitive OpCo second amended and restated limited liability company agreement entered into in connection with the IPO.

As of June 30, 2023 September 30, 2023 and December 31, 2022, Definitive Healthcare Corp. held ownership interests in Definitive OpCo of 73.1 74.8% and 68.2%, respectively, and noncontrolling interests of 26.9 25.2% and 31.8%, respectively.

### 13. Accumulated Other Comprehensive Income

The following table summarize the changes in accumulated balances of other comprehensive income for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively.

| | Three Months Ended June 30, 2023 | | | | Six Months Ended June 30, 2023 | | | | Three Months Ended September 30, 2023 | | | | Nine Months Ended September 30, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in thousands)* | **Unrealized Gain (Loss) on Cash Flow Hedges** | **Unrealized Loss on Investments** | **Foreign Currency Translation Adjustments** | **Total** | **Unrealized Gain (Loss) on Cash Flow Hedges** | **Unrealized Loss on Investments** | **Foreign Currency Translation Adjustments** | **Total** | **Unrealized Gain (Loss) on Cash Flow Hedges** | **Unrealized (Loss) Gain on Investments** | **Foreign Currency Translation Adjustments** | **Total** | **Unrealized Gain (Loss) on Cash Flow Hedges** | **Unrealized Loss on Investments** | **Foreign Currency Translation Adjustments** | **Total** |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning balance | $ 3,356 | $ (73) | $ (490) | $ 2,793 | $ 4,307 | $ (135) | $ (504) | $ 3,668 | $ 4,158 | $ (326) | $ (580) | $ 3,252 | $ 4,307 | $ (135) | $ (504) | $ 3,668 |
| Other comprehensive income (loss) before reclassifications | 1,549 | (253) | (90) | 1,206 | 1,205 | (191) | (76) | 938 | 505 | 148 | (22) | 631 | 1,710 | (43) | (98) | 1,569 |
| Amounts reclassified from AOCI | (747) | — | — | (747) | (1,354) | — | — | (1,354) | (832) | — | — | (832) | (2,186) | — | — | (2,186) |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ending balance | $ 4,158 | $ (326) | $ (580) | $ 3,252 | $ 4,158 | $ (326) | $ (580) | $ 3,252 | $ 3,831 | $ (178) | $ (602) | $ 3,051 | $ 3,831 | $ (178) | $ (602) | $ 3,051 |

| *(in thousands)* | Three months ended June 30, 2022, as restated | | | | Six months ended June 30, 2022, as restated | | | | Three months ended September 30, 2022, as restated | | | | Nine months ended September 30, 2022, as restated | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Unrealized Gain on Cash Flow Hedges** | **Unrealized Loss on Investments** | **Foreign Currency Translation Adjustments** | **Total** | **Unrealized Gain on Cash Flow Hedges** | **Unrealized Loss on Investments** | **Foreign Currency Translation Adjustments** | **Total** | **Unrealized Gain (Loss) on Cash Flow Hedges** | **Unrealized (Loss) Gain on Investments** | **Foreign Currency Translation Adjustments** | **Total** | **Unrealized Gain on Cash Flow Hedges** | **Unrealized Loss on Investments** | **Foreign Currency Translation Adjustments** | **Total** |
| Beginning balance | $ 1,049 | $ (197) | $ 66 | $ 918 | $ — | $ — | $ 62 | $ 62 | $ 2,150 | $ (290) | $ (187) | $ 1,673 | $ — | $ — | $ 62 | $ 62 |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Other comprehensive income (loss) before reclassifications | 825 | (93) | (253) | 479 | $ 1,874 | $ (290) | $ (249) | 1,335 | 2,288 | 31 | (34) | 2,285 | $ 4,162 | $ (259) | $ (283) | 3,620 |
| Amounts reclassified from AOCI | 276 | — | — | 276 | 276 | — | — | 276 | (47) | — | — | (47) | 229 | — | — | 229 |
| Ending balance | $ 2,150 | $ (290) | $ (187) | $ 1,673 | $ 2,150 | $ (290) | $ (187) | $ 1,673 | $ 4,391 | $ (259) | $ (221) | $ 3,911 | $ 4,391 | $ (259) | $ (221) | $ 3,911 |

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### 14. Equity-Based Compensation

The Company recognizes equity-based compensation expense associated with awards granted under equity incentive plans. Equity-based compensation expense is allocated to all departments based on the recipients of the compensation. A summary of the expense by line item in the condensed consolidated statements of operations for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively, is provided in the following table.

| | Three Months Ended June 30, | | Six Months Ended June 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|---|---|
| *(in thousands)* | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| Cost of revenue | $ 296 | $ 230 | $ 554 | $ 462 | $ 276 | $ 236 | $ 830 | $ 698 |
| Sales and marketing | 2,920 | 5,056 | 5,569 | 8,802 | 2,728 | 2,260 | 8,297 | 11,062 |
| Product development | 3,319 | 1,841 | 6,330 | 3,130 | 3,236 | 2,171 | 9,566 | 5,301 |
| General and administrative | 5,828 | 1,878 | 11,038 | 3,483 | 5,754 | 4,466 | 16,792 | 7,949 |
| Total compensation expense | $ 12,363 | $ 9,005 | $ 23,491 | $ 15,877 | $ 11,994 | $ 9,133 | $ 35,485 | $ 25,010 |



### 15. Income Taxes

During the six nine months ended June 30, 2023 September 30, 2023, management performed an assessment of the recoverability of deferred tax assets. Management determined, based on the accounting standards applicable to such assessment, that there was sufficient negative evidence as a result of the Company's scheduled reversal of deferred tax liabilities and cumulative losses to conclude it was more likely than not that its deferred tax assets would not be realized and has recorded a valuation allowance against its deferred tax assets that are not more likely than not to be realized. In the event that management was to determine that the Company would be able to realize its deferred tax assets in the future in excess of their net recorded amount, an adjustment to the valuation allowance would be made which would reduce the provision for income taxes.

As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company has recorded net deferred tax liabilities of $78.6 65.4 million and $75.6 million, respectively. The net deferred tax liability reflects a valuation allowance against deferred tax assets that are more likely than not to not be realized as well as reversing taxable temporary differences that will not provide a source of taxable income due to attribute limitation rules.

The Company recognizes uncertain income tax positions when it is more-likely-than-not the position will be sustained upon examination. As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company has not identified any uncertain tax positions and has not recognized any related reserves.

The Company's effective tax rate was 11.3 6.6% and 0.2%, as restated, for the three months ended September 30, 2023 and 2022, respectively, and 6.7% and 2.1%, as restated, for the three nine months ended June 30, 2023 and 2022, respectively, and 7.4% and 2.7%, as restated, for the six months ended June 30, 2023 September 30, 2023 and 2022, respectively. The Company's effective tax rate differs from the statutory tax rate of 21% due to the valuation allowance recorded, foreign tax rates that differ from the U.S. statutory tax rate, and partnership income that is not taxed.

As described above, the Company has a valuation allowance as it has not yet attained a sustained level of profitability and the objectively verifiable negative evidence outweighed the positive evidence. The income of the Company's subsidiaries is generally subject to corporate-level taxation, and certain of these subsidiaries have a valuation allowance whereas others do not. The effective tax rates for each period generally arise from the tax provisions for Company subsidiaries without valuation allowances, and the impact of any revaluation of deferred taxes arising from changes in the states effective tax rates. Such revaluations are caused by changes in state apportionment factors arising from fluctuations in the mix of sales, property and payroll by state, certain state tax rate changes and certain state tax incentives.

***Tax Receivable Agreement***

Pursuant to the Company's election under Section 754 of the Internal Revenue Code (the "Code"), the Company expects to obtain an increase in its share of the tax basis in the net assets of Definitive OpCo when LLC Interests are redeemed or exchanged by other members. The Company intends to treat any redemptions and exchanges of LLC Interest as direct purchases of LLC Interests for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that would otherwise be paid in the future to various tax authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

In connection with the IPO, the Company entered into a Tax Receivable Agreement ("TRA") among Definitive Healthcare Corp., Definitive OpCo, and the TRA Parties and has recorded a liability under the TRA of $170.7 145.4 million and $155.1 million, as restated, as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively. During the three and six nine months ended June 30, 2023, the Company recognized a TRA remeasurement loss of $1.1 million and $4.7 million, respectively. During the three and six months ended June 30, 2022 September 30, 2023, the Company recognized a TRA remeasurement gain of $3.5 29.7 million and $25.0 million, respectively. During the three and nine months ended September 30, 2022, the Company recognized a TRA remeasurement gain of $5.3 million, as restated, and $3.3 8.6 million, as restated, respectively. Losses and gains Gains in both periods were recognized within Other (expense) other income, net in the Company's condensed consolidated statements of operations. Under the TRA, the Company generally will be required to pay to the TRA Parties 85% of the amount of cash savings, if any, in U.S. federal, state, or local tax that the Company actually realizes directly or indirectly (or are deemed to realize in certain circumstances) as a result of (i) certain tax basis adjustments resulting from (a) acquisitions by the Company of LLC Units from pre-IPO holders in connection with the IPO, and (b) subsequent redemptions or exchanges of LLC Units by holders for Class A Common Stock or other consideration, (ii) certain tax attributes acquired by the Company from the Blocker Companies in the Reorganization Transactions, and (iii) certain payments made under the TRA. The Company expects to benefit from the remaining 15% of any tax benefits that it may actually realize. To the extent that the Company is unable to timely make payments under the TRA for any reason, such payments generally will be deferred and will accrue interest until paid.



**16. Loss Per Share**

Basic net loss per share of Class A Common Stock is computed by dividing net income attributable to Definitive Healthcare Corp. by the weighted-average number of shares of Class A Common Stock outstanding during the period, excluding unvested equity awards and subsidiary member units not exchanged. Diluted earnings per share of Class A Common Stock is calculated by dividing net income attributable to Definitive Healthcare Corp., adjusted for the assumed exchange of all potentially dilutive securities by the weighted-average number of shares of Class A Common Stock outstanding.

The following table sets forth reconciliations of the numerators and denominators used to compute basic and diluted net loss per share of Class A Common Stock for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022.

| | Three Months Ended June 30, | | Six Months Ended June 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| *(in thousands)* | | (As Restated) | | (As Restated) | | (As Restated) | | (As Restated) |
| Numerator: | | | | | | | | |
| Net loss | $ (11,605) | $ (10,142) | $ (27,577) | $ (23,181) | $ (248,688) | $ (6,885) | $ (276,265) | $ (30,066) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Less: Net loss attributable to noncontrolling interests | (3,039) | (4,656) | (6,948) | (9,114) | (77,162) | (3,865) | (84,110) | (12,979) |
| Net loss attributable to Definitive Healthcare Corp. | $ (8,566) | $ (5,486) | $ (20,629) | (14,067) | $ (171,526) | $ (3,020) | $ (192,155) | (17,087) |

The following table sets forth the computation of basic and diluted net loss per share of Class A Common Stock for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 (per share amounts unaudited).

| | Three Months Ended June 30, | | Six Months Ended June 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| ***(in thousands, except number of shares and per share amounts)*** | | **(As Restated)** | | **(As Restated)** | | **(As Restated)** | | **(As Restated)** |
| Basic net loss per share attributable to common stockholders | | | | | | | | |
| Numerator: | | | | | | | | |
| Allocation of net loss attributable to Definitive Healthcare Corp. | $ (8,566) | $ (5,486) | $ (20,629) | $ (14,067) | $ (171,526) | $ (3,020) | $ (192,155) | $ (17,087) |
| Denominator: | | | | | | | | |
| Weighted average number of shares of Class A Common Stock outstanding | 111,768,782 | 99,203,697 | 110,011,177 | 98,186,909 | 114,527,514 | 102,904,565 | 111,533,166 | 99,776,742 |
| Net loss per share, basic and diluted | $ (0.08) | $ (0.06) | $ (0.19) | $ (0.14) | $ (1.50) | $ (0.03) | $ (1.72) | $ (0.17) |

Shares of the Company's Class B Common Stock do not participate in the earnings or losses of Definitive Healthcare Corp. and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class B Common Stock under the two-class method has not been presented.

The following table presents potentially dilutive securities excluded from the computation of diluted net loss per share for the period presented because their effect would have been anti-dilutive:

| | Six Months Ended June 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Definitive OpCo LLC Units (vested and unvested) | 42,861,612 | 54,745,380 | 39,781,946 | 50,566,898 |
| Restricted Stock Units | 6,049,898 | 3,762,621 | 6,847,050 | 3,411,944 |

**17. Related Parties**

The Company has engaged in revenue transactions within the ordinary course of business with entities affiliated with its private equity sponsors Sponsors and with members of the Company's board of directors. During each of the three months ended June 30, 2023 September 30, 2023 and 2022 the Company recorded revenue from related parties of $0.3 million and $0.2 million, respectively. During each of the six nine months ended June 30, 2023 September 30, 2023 and 2022, the Company recorded revenue from related parties of $0.7 1.1 million and $0.4 0.7 million, respectively. There were no receivables for related party revenue transactions at June 30, 2023 September 30, 2023. Receivables for related party revenue transactions amounted to $0.8 million at December 31, 2022.



**18. Subsequent Events**

On July 17, 2023, the Company signed a definitive agreement to acquire Populi, Inc. ("Populi"), a privately-held company incorporated in Delaware. Populi is a small healthcare analytics company that uses artificial intelligence-driven software to deliver accessible analytics-as-a-service through integrations and API's to the data science platforms that providers use every day. Consideration for Populi consists of $52.0 million in cash, subject to working capital adjustments, with the potential for additional consideration contingent upon achievement of certain performance-based milestones in 2024 and 2025.

On July 21, 2023, the Company completed the purchase of Populi. The initial accounting for the business combination is incomplete as a result of the timing of the acquisition.

On July 27, 2023, the Company committed to a restructuring plan intended to reduce operating costs, improve operating margins, and continue advancing the Company's ongoing commitment to profitable growth. The Company estimates that in the third quarter of 2023 it will incur pre-tax cash restructuring and related charges of approximately $1.8 million to $2.0 million, consisting primarily of severance payments, employee benefits, and related cash expenses, as well as an immaterial non-cash stock-based compensation charge related to the vesting of share-based awards for employees who are terminated. The Company expects these actions will be substantially complete by the end of the third quarter of 2023.

**ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited interim Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report and with our audited Consolidated Financial Statements, "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2022 Form 10-K/A.*

*As discussed in "Cautionary Note Regarding Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may materially differ from those discussed in such forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those identified below and those discussed in "Risk Factors" under Part II, Item 1A in this Quarterly Report and in Part I, Item 1A of our 2022 Form 10-K/A.*

**Overview**

Definitive Healthcare is a leading provider of healthcare commercial intelligence. Our solutions provide accurate and comprehensive information on healthcare providers and their activities to help our customers optimize everything from product development to go-to-market planning and sales and marketing execution. Delivered through our software as a service ("SaaS") platform, our intelligence has become important to the commercial success of our approximately 3,000 2,900 customers as of June 30, 2023 September 30, 2023. We generally define a customer as a company that maintains one or more active paid subscriptions to our platform.

Our customers include biopharmaceutical and medical device companies, healthcare information technology companies, healthcare providers, and other diversified companies, such as staffing firms, commercial real estate firms, financial institutions, and other organizations seeking commercial success in the attractive but complex healthcare ecosystem. Within these organizations, our platform is leveraged by a broad set of functional groups, including sales, marketing, clinical research & product development, strategy, talent acquisition, and physician network management. We offer access to our platform on a subscription basis, and we generate substantially all of our revenue from subscription fees.

We were founded in 2011 by our Executive Chairman, Jason Krantz. Mr. Krantz founded the company to provide healthcare commercial intelligence that enables companies that compete within or sell into the healthcare ecosystem to make better, informed decisions and be more successful. Over time, we have expanded our platform with new intelligence modules, innovative analytics, workflow capabilities, and additional data sources.

Any We believe any company selling or competing within the healthcare ecosystem is a potential customer for us and contributes to our estimated current total addressable market of over $10 billion. In total, we have identified more than 100,000 potential customers that we believe could benefit from our platform.

**Restatement**

As described in the Note 1 of “Notes to the Consolidated Financial Statements,” we have restated our consolidated financial statements and Item 2. Management’s Discussion of Financial Condition and Results of Operations for the three and six nine months ended June 30, 2022 September 30, 2022.



## Recent Developments

### *Acquisitions*

On July 17, 2023 July 21, 2023, we signed a definitive agreement to acquire the Company completed the acquisition of Populi, Inc. (“Populi”), a privately-held company incorporated in Delaware. Populi is a small healthcare provider-focused data and analytics company that uses artificial intelligence-driven software works with healthcare organizations to deliver accessible analytics-as-a-service through integrations optimize physician relationships, reduce network leakage, and API’s to the data science platforms that providers use every day. Consideration expand market share, for Populi consists total estimated consideration of $52.0 million in cash, $54.1 million, subject to working capital adjustments, with the potential for additional consideration contingent upon achievement of up to $28.0 million, subject to meeting certain performance-based milestones in revenue metrics during calendar years 2024 and 2025.

On July 21, 2023, we completed the purchase of Populi. The initial accounting for the business combination is incomplete as a result of the timing of the acquisition. See Note 2. *Acquisitions*.

### *Restructuring charges*

On January 12, 2023, During the first and third quarters of 2023, we announced a restructuring plan plans intended to reduce operating costs, improve operating margins, and continue advancing our ongoing commitment to profitable growth. During the three and six nine months ended June 30, 2023 September 30, 2023, we incurred restructuring and related charges of $0.3 million $2.1 million and $2.5 million $4.6 million, respectively, consisting primarily of severance payments, employee benefits, and related cash expenses. These charges were recognized within Transaction, integration, and restructuring expenses in our condensed consolidated statements of operations. We do not expect to incur an additional $0.2 million of expense through the third quarter of 2023 any further material charges associated with the restructuring plan.plans.

### *On July 27, 2023 Goodwill Impairment*

During the three months ended September 30, 2023, we committed experienced a decline in our market capitalization as a result of a sustained decrease in our stock price, which represented a triggering event requiring our management to perform a subsequent restructuring plan intended to reduce operating costs, improve operating margins, and continue advancing our ongoing commitment to profitable growth. We estimate that in the third quarter quantitative goodwill impairment test as of 2023 we will incur pre-tax cash restructuring and related charges of approximately $1.8 million to $2.0

million, consisting primarily of severance payments, employee benefits, and related cash expenses, as well as an immaterial non-cash stock-based compensation charge related to the vesting of share-based awards for employees who are terminated. We expect these actions will be substantially complete by the end September 30, 2023. As a result of the third quarter impairment test, we determined that the fair value of 2023. our single reporting unit was lower than its carrying value and, accordingly, recorded a non-cash, pretax, goodwill impairment charge of $287.4 million. The goodwill impairment charge did not affect our liquidity or the financial covenants in any of our outstanding debt agreements. See Note 7. *Goodwill and Intangible Assets*. Our reporting unit is at risk for future goodwill impairments if we experience a continued decline in our market capitalization or worsening macroeconomic conditions.

**Macroeconomic Conditions**

As a corporation with a global footprint, we are subject to risks and exposures caused by significant events and their macroeconomic impacts, including, but not limited to, the Russia-Ukraine war, the evolving conflict in Israel and surrounding areas, global geopolitical tension, and more recently, a potential shutdown of the U.S. federal government, rising inflation and interest rates, volatility in the capital markets, liquidity concerns at, and failures of, banks and other financial institutions, and related market uncertainty. We continuously monitor the direct and indirect impacts, and the potential for future impacts, of these circumstances on our business and financial results, as well as the overall global economy and geopolitical landscape. While our revenue and earnings have historically been relatively predictable as a result of our subscription-based business model, the potential implications of these macroeconomic events on our business, results of operations, and overall financial position, particularly in the long term, introduce additional uncertainty.

Our current and prospective customers and their business spendings are impacted by worsening macroeconomic conditions to varying degrees and as a result, in some cases we are observing deal cycles lengthen for new and existing customers, in part as a result of more stringent approval processes, as well as a significant number of deferred purchasing decisions. We are also experiencing heightened customer churn. These trends have been particularly pronounced for smaller customers and in the life science and provider markets. We expect this will impact our growth unless macroeconomic conditions improve. We are continuing to evaluate these and other past and potential future direct and indirect impacts on our business and results of operations.

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**Key Factors Affecting Our Performance**

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

***Acquiring New Customers***

We plan to continue to organically grow the number of customers that use our platform by increasing demand for our platform and penetrating our addressable market. Our results of operations and growth prospects will depend, in part, on our ability to attract new customers. We intend to drive new customer acquisition with our efficient go-to-market engine by continuing to invest in our sales and marketing efforts and developing new use cases for our platform. Customers generating more than $100,000 in ARR, which we refer to as Enterprise Customers, represent the majority of our ARR and are a key focus of our go-to-market programs. As of June 30, 2023 September 30, 2023, we had 555 Enterprise Customers and approximately 2,900 customers overall, and as of December 31, 2022, we had 537 Enterprise Customers and approximately 3,000 customers. Our customers overall. While our Enterprise Customer count has grown, our total customer and Enterprise Customer counts decreased slightly over the course of the quarter, in 2023, reflecting the impact of macroeconomic conditions on our prospective and existing customers. We have identified more than 100,000 potential customers across the healthcare ecosystem that we believe could benefit from our platform. Our ability to attract and acquire new customers is dependent on the strength of our platform and effectiveness of our go-to-market strategy, as well as macroeconomic factors and their impact on our potential customers' business spending.

***Expanding Relationships with Existing Customers***

We believe there is a significant opportunity to generate additional revenue from our existing customer base of approximately 2,900 and 3,000 customers as of June 30, 2023.September 30, 2023 and December 31, 2022, respectively.

Our customers have historically increased their spending by adding intelligence modules functionality and by expanding use-cases across departments. Our customers are typically assigned to one of our vertically-focused teams, which is responsible for driving usage and increasing adoption of the platform, identifying expansion opportunities, and driving customer renewals. Real-time input from these customer centric teams feeds directly into our product innovation teams, enhancing the development of new intelligence modules. capabilities. We believe this feedback loop and our ability to innovate creates significant opportunities for continual existing customer expansion. Our ability to generate additional revenue from existing customers is also subject to such existing customers' business spending trends and the impact of macroeconomic conditions thereon.

Our success progress in expanding usage of our platform with our existing customers is demonstrated by our NDR, which is further described below.

***Continuing to Innovate and Expand Our Platform***

The growth of our business is driven in part by our ability to apply our deep healthcare domain expertise to innovate and expand our platform. We have continually created new products since our founding in 2011. We plan to continue to invest significantly into our engineering and research and development efforts to enhance our capabilities and functionality and facilitate the expansion of our platform to new use cases and customers. In addition, we work to continuously release updates and new features. While we are primarily focused on organic investments to drive innovation, we will also evaluate strategic acquisitions and investments that further expand our platform.

## Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe certain non-GAAP measures are useful in evaluating our operating performance. Non-GAAP measures include, but are not limited to, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, and Adjusted EBITDA Margin. We believe these non-GAAP measures are useful to investors because they eliminate certain items that affect period-over-period comparability and provide consistency with past financial performance and additional information about our underlying results and trends by excluding certain items that may not be indicative of our business, results of operations, or outlook.

We view Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, and Adjusted EBITDA Margin as operating performance measures. As such, we believe the most directly comparable GAAP financial measures to Adjusted Gross Profit and Adjusted Gross Margin are GAAP Gross Profit and GAAP Gross Margin, respectively, and the most directly comparable GAAP financial measure to Adjusted EBITDA and Adjusted EBITDA Margin is GAAP net loss. loss and GAAP net loss margin, respectively.

Non-GAAP measures are supplemental financial measures of our performance and should not be considered substitutes for net loss, gross profit, or any other measure derived in accordance with GAAP. This information should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. There are limitations to these non-GAAP financial measures because they are not prepared in accordance with GAAP and may not be comparable to similarly titled measures of other companies due to potential differences in methods of calculation and items or events being adjusted. In addition, other companies may use different measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

### *Adjusted Gross Profit and Adjusted Gross Margin*

We define Adjusted Gross Profit as revenue less cost of revenue, Gross Profit, excluding acquisition-related depreciation and amortization, and stock-based compensation costs. Adjusted Gross Profit differs from Gross Profit, in that Gross Profit includes the impact of acquisition-related depreciation and amortization expense and stock-based compensation. We exclude acquisition-related depreciation and amortization expense as they have no direct correlation to the cost of operating our business on an ongoing basis. Gross Margin is defined as Gross Profit as a percentage of revenue and Adjusted Gross Margin is defined as Adjusted Gross Profit as a percentage of revenue. These are key metrics used by management and our board of directors to assess our operations.

The following table presents a reconciliation of Gross Profit and Gross Margin to Adjusted Gross Profit and Adjusted Gross Margin for the periods presented:

| Three Months Ended June 30, | | Six Months Ended June 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |

| *(in thousands)* | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reported gross profit and margin** | $ 49,789 | 82 % | $ 42,770 | 78 % | $ 97,084 | 81 % | $ 81,566 | 78 % | $ 53,430 | 82 % | $ 47,658 | 83 % | $ 150,514 | 81 % | $ 129,224 | 80 % |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Amortization of intangible assets acquired through business combinations | 2,314 | 4% | 5,302 | 10% | 4,604 | 4% | 10,404 | 10% | 2,303 | 4% | 2,910 | 5% | 6,907 | 4% | 13,314 | 8% |
| Equity compensation costs | 296 | — | 230 | — | 554 | — | 462 | — | 276 | — | 236 | — | 830 | — | 698 | — |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Adjusted gross profit and margin | $ 52,399 | 86 % | $ 48,302 | 89 % | $ 102,242 | 85 % | $ 92,432 | 88 % | $ 56,009 | 86 % | $ 50,804 | 89 % | $ 158,251 | 85 % | $ 143,236 | 88 % |

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### *Adjusted EBITDA and Adjusted EBITDA Margin*

We present “Adjusted EBITDA” as a measure of our operating performance. EBITDA is defined as earnings before (i) debt-related costs, including interest expense and loss from extinguishment of debt, (ii) interest income, (iii) provision for taxes, and (iv) depreciation and amortization. Management further adjusts EBITDA in its presentation of Adjusted EBITDA to exclude (i) other (income) expense, (ii) equity-based compensation, (iii) acquisition, integration, and restructuring expenses, (iv) goodwill impairments, and (iv) (v) other non-recurring and one-time expenses. We exclude these items because they are by nature non-cash, non-recurring, and/or unrelated to our core operations, and therefore we do not believe them to be representative of ongoing operational performance. Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of revenue. Adjusted EBITDA and Adjusted EBITDA Margin are key metrics used by management and our board of directors to assess the profitability of our operations. We believe these metrics provide useful measures to investors to assess our operating performance and in measuring the profitability of our operations on a consolidated level.

The following table presents a reconciliation of Net loss to Adjusted EBITDA for the periods presented:

| Three Months Ended June 30, | | Six Months Ended June 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 (As Restated) | 2023 | 2022 (As Restated) | 2023 | 2022 (As Restated) | 2023 | 2022 (As Restated) |

| (in thousands) | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue | Amount | % of Revenue |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net loss and margin** | $(11,605) | (19)% | $(10,142) | (19)% | $(27,577) | (23)% | $(23,181) | (22)% | $(248,688) | (381)% | $(6,885) | (12)% | $(276,265) | (149)% | $(30,066) | (19)% |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Interest expense, net | 221 | — | 2,580 | 5% | 1,001 | 1% | 4,464 | 4% | 433 | 1% | 2,466 | 4% | 1,434 | 1% | 6,930 | 4% |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Benefit from income taxes | (1,484) | (2)% | (213) | — | (2,194) | — | (639) | — | (1,534) | (27)% | (15) | (0)% | (1,728) | (11)% | (654) | (0)% |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Depreciation & amortization | 12,778 | 21% | 15,774 | 29% | 25,722 | 21% | 31,026 | 30% | 13,027 | 20% | 13,192 | 23% | 38,749 | 21% | 44,218 | 27% |
| **EBITDA and margin** | (990) | — | 7,999 | 15% | (3,048) | (3)% | 11,670 | 11% | (252,762) | (387)% | 8,758 | 15% | (255,810) | (138)% | 20,428 | 13% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Other expense (income), net (a) | 797 | 1% | (4,103) | (8)% | 4,428 | 4% | (4,088) | (4)% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Other income, net (a) | (29,589) | (45)% | (5,628) | (10)% | (25,161) | (14)% | (9,716) | (16)% |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Equity-based compensation (b) | 12,363 | 20% | 9,005 | 17% | 23,491 | 20% | 15,877 | 15% | 11,994 | 18% | 9,133 | 16% | 35,485 | 19% | 25,010 | 15% |
| Transaction, int | 3,571 | 6% | 2,107 | 4% | 6,161 | 5% | 3,417 | 3% | 3,505 | 5% | 2,945 | 5% | 9,666 | 5% | 6,362 | 4% |

| | | |
|---|---|---|
| egration, and restructuring expenses (c) | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Other non-recurring items (d) | 600 | 1% | 1,259 | 2% | 1,876 | 2% | 3,436 | 3% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Goodwill impairment (d) | 287,400 | 440% | — | 0% | 287,400 | 155% | — | 0% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Other non-recurring items (e) | 1,196 | 2% | 1,178 | 2% | 3,072 | 2% | 4,614 | 3% |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A** | | | | | | | | | | | | | | | | |
| **d** | | | | | | | | | | | | | | | | |
| **j** | | | | | | | | | | | | | | | | |
| **u** | | | | | | | | | | | | | | | | |
| **s** | | | | | | | | | | | | | | | | |
| **t** | | | | | | | | | | | | | | | | |
| **e** | | | | | | | | | | | | | | | | |
| **d** | | | | | | | | | | | | | | | | |
| **E** | | | | | | | | | | | | | | | | |
| **B** | | | | | | | | | | | | | | | | |
| **I** | | | | | | | | | | | | | | | | |
| **T** | | | | | | | | | | | | | | | | |
| **D** | | | | | | | | | | | | | | | | |
| **A** | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| **a** | | | | | | | | | | | | | | | | |
| **n** | | | | | | | | | | | | | | | | |
| **d** | | | | | | | | | | | | | | | | |
| **m** | 1 | | 1 | | 3 | | 3 | | 2 | | | | 5 | | | |
| **a** | 7 | | 6 | | 2 | | 0 | | 1 | | 1 | | 4 | | 4 | |
| **r** | , | | , | | , | | , | | , | | 6, | | , | | 6, | |
| **g** | 2 | | 2 | | 9 | | 3 | | 7 | | 3 | | 6 | | 6 | |
| **i** | 4 | 2 | 6 | 3 | 0 | 2 | 1 | 2 | 4 | 3 | 8 | 2 | 5 | 2 | 9 | 2 |
| **n** | $1 | 8% | $7 | 0% | $8 | 7% | $2 | 9% | $4 | 3% | $ 6 | 9% | $2 | 9% | $ 8 | 9% |

(a) Primarily represents foreign exchange and Tax Receivable Agreement ("TRA") liability remeasurement gains and losses

(b) Equity-based compensation represents non-cash compensation expense recognized in association with equity awards made to employees and directors.

(c) Transaction and integration expenses primarily represent legal, accounting, and consulting expenses and fair value adjustments for contingent consideration related to our acquisitions. Restructuring expenses relate to our restructuring plan plans announced in the first quarter and third quarters of 2023 and impairment and restructuring charges related to office relocations.

(d) Goodwill impairment represents a non-cash, pretax, goodwill impairment charge of $287.4 million recorded during the th months ended September 30, 2023. We experienced a decline in our market capitalization as a result of a sustained decrease in our stock price, which represented a triggering event requiring our management to perform a quantitative goodwill impairment test as of September 30, 2023. As a result of the impairment test, we determined that the fair value our single reporting unit was lower than its carrying value and, accordingly, recorded this impairment charge.

(e) Non-recurring items represent expenses driven by events that are typically by nature one-time, non-operational, and unrelated to our core operations. These expenses are comprised primarily of professional fees related to financing, capi structure changes, and other non-recurring set-up costs related to public company operations. operations, as well as professional fees incurred in the third quarter of 2023 related to the filing delay and restatement of our previously issued financial statements, filed concurrently with our Quarterly Report on Form 10-Q for the second quarter of 2023. In additi these expenses include sales tax accrual charges recorded during the three and six nine months ended June 30, 2023 September 30, 2023, of $0.2 million $0.3 million and $0.6 million $0.9 million, respectively and during the three and six nine months ended June 30, 2022 September 30, 2022, of $0.7 million $0.6 million and $1.2 million $1.9 million, respectively, after we became aware of a state sales tax liability for sales taxes that we may have been required to colle from customers in 2023 and in certain previous years, which amounts include assumed maximum penalties and interest



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**Key Metrics**

We monitor the following key metrics to help us evaluate our business performance, identify financial trends, formulate business plans, and make strategic operational decisions.

***Net Dollar Retention Rate ("NDR" (“NDR”)***

We believe the growth in use of our platform by our existing customers is an important measure of the health of our business and our future growth prospects. We evaluate and report on our NDR on an annual basis to measure this growth. We define NDR as the percentage of ARR retained from existing customers across a defined period, after accounting for upsell, down-sell, pricing changes, and churn. We calculate NDR as beginning ARR for a period, plus (i) expansion ARR (including, but not limited to, upsell and pricing increases), less (ii) churn (including, but not limited to, non-renewals, and contractions), divided by (iii) beginning ARR for a period.

Unfavorable macroeconomic challenges are elongating deal cycles as customers implement more stringent approval processes or delay spending decisions, which impacts revenue from our existing customers, including upsells. We have also experienced a significant number of deferred purchasing decisions and heightened customer churn, particularly in the life science and provider markets. As a result, we expect our NDR rates for 2023 to be reduced slightly relative to year end 2022 unless macroeconomic conditions improve. 2022.

***Current Remaining Performance Obligations ("cRPO" (“cRPO”)***

We monitor current remaining performance obligations as a metric to help us evaluate the health of our business and identify trends affecting our growth. cRPO represents the amount of contracted future revenue that has not yet been recognized, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue within the next twelve months. cRPO is not necessarily indicative of future revenue growth. In addition to total contract volume, cRPO is influenced by several factors, including seasonality, disparate contract terms, and the timing of renewals, because renewals tend to be most frequent in the fourth quarter. Due to these factors, it is important to review cRPO in conjunction with revenue and other financial metrics.

Our cRPO will continue to be impacted by macroenvironment macroeconomic challenges, which have resulted in elongating deal cycles as customers implement more stringent approval processes or push out final decisions to later periods. We have also observed cancelations due to the impacts of such challenges on the financial condition of our customers, particularly in the life science and provider markets. We expect this trend to reduce our revenue growth rate for 2023 and 2024 relative to 2022.

The following table presents cRPO as of June 30, 2023 September 30, 2023 and December 31, 2022:

| (in thousands) | June 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 |
|---|---|---|---|---|
| Current | $ 176,521 | $ 183,527 | $ 170,782 | $ 183,527 |
| Non-current | 87,405 | 93,464 | 82,462 | 93,464 |
| Total | $ 263,926 | $ 276,991 | $ 253,244 | $ 276,991 |

### Impact of Acquisitions

We seek to enhance our platform, data and business through internal development and through acquisitions of and investments in businesses that broaden and strengthen our platform. Acquisitions can result in transaction costs, amortization expenses and other adjustments as purchase accounting requires that all assets acquired and liabilities assumed be recorded at fair value on the acquisition date. Refer to Note 2. *Acquisitions* in the notes to our condensed consolidated financial statements included elsewhere in this Form 10-Q for further details.



### Components of our Results of Operations

#### *Revenue*

For the six nine months ended June 30, 2023 September 30, 2023, we derived approximately 98% 97% of our revenue from subscription services and the remainder from professional services. Our subscription services consist primarily of subscription fees for access to our platform. Our subscription contracts typically have a term ranging from 1 to 3 years and are non-cancellable. We typically bill for services in advance annually, and we typically require payment at the beginning of each annual period. Our subscription revenue is recognized ratably over the contract term. Our professional services revenue typically is derived from non-recurring consulting services which are generally capable of being distinct and can be accounted for as separate performance obligations. Revenue related to these professional services is recognized at the time the services are performed.

Because of the macroenvironment macroeconomic challenges described above, we expect a reduction in our revenue growth rate for 2023 and 2024 relative to 2022.

#### *Cost of Revenue*

*Cost of Revenue*. Cost of revenue, excluding amortization of acquired technology and data, consists of direct expenses related to the support and operations of our SaaS platform, such as data and infrastructure costs, personnel costs for our professional services, customer support, and data research teams, such as salaries, bonuses, stock-based compensation, and other employee-related benefits, as well as allocated overheads. We anticipate that we will continue to invest in cost of revenue and that cost of revenue as a percentage of revenue will modestly increase as we add to our existing intelligence modules and invest in new products and data sources. Cost of data is included in the cost of revenue and is a fundamental driver of innovation.

*Amortization*. Includes amortization expense for technology and data acquired in business combinations and asset purchase agreements. We anticipate that amortization will only increase if we make additional acquisitions in the future.

At the beginning of 2023, additional third-party data sources were rolled out to our customers, which resulted in, and is expected to continue to result in, an increase of cost of revenue.

***Gross Profit***

Gross profit is revenue less cost of revenue, and gross margin is gross profit as a percentage of revenue. Gross profit and gross margin have been and will continue to be affected by various factors, including the costs associated with third-party data and third-party hosting services, leveraging economies of scale, and the extent to which we introduce new intelligence modules, features, or functionality, or expand our customer support and service organizations, hire additional personnel, or complete additional acquisitions. We expect that our gross profit and gross margin will fluctuate from period to period depending on the interplay of these various factors.

While we expect our overall gross profit to increase for 2023 due to anticipated revenue growth, our gross margin is expected to modestly decrease due to the expansion of data sources, as described above. above, and costs associated with the acquisition of Populi.

***Operating Expenses***

The most significant component of our operating expenses is personnel costs, which consist of salaries, bonuses, sales commissions, stock-based compensation, and other employee-related benefits. Operating expenses also include non-personnel costs such as facilities, technology, professional fees, and marketing. In light of macroeconomic conditions and their past and potential future impacts on our business, we have made efforts to contain our operating expenses, including implementing a restructuring plan plans in the first quarter and third quarters of 2023. Rising inflation, and in particular increases to the cost of labor due to cost-of-living increases, have negatively impacted our operating expenses, and we expect this to continue. However, inflation has not materially affected our business to date.

*Sales and marketing*. Sales and marketing expenses primarily consist of personnel costs such as salaries, bonuses, sales commissions, stock-based compensation, and other employee-related benefits for our sales and marketing teams, as well as non-personnel costs including overhead costs, technology, and marketing advertising costs. While we have slowed hiring in response to macroeconomic conditions, and expect to maintain slower levels until macroeconomic conditions improve, we continue have continued to hire additional sales and marketing personnel, enhance our digital marketing infrastructure, and invest in marketing programs targeting our major vertical markets.

*Product development*. Product development expenses primarily consist of personnel costs such as salaries, bonuses, stock-based compensation, and other employee-related benefits for our engineering, data science, and product teams, as well as non-personnel costs including overhead costs. We believe that our core technologies and ongoing innovation represent a significant competitive advantage for us, and we continue to invest in systems optimization and module product improvements for our customers, enhance our software development team and invest in automation and artificial intelligence to drive higher quality data and deeper insights.



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*General and administrative*. General and administrative expenses primarily consist of personnel costs such as salaries, bonuses, stock-based compensation, and other employee-related benefits for our executive, finance, legal, human resources, IT and operations, and administrative teams, as well as non-personnel costs including overhead costs, professional fees, and other corporate expenses. General and administration expenses also include sales tax amounts payable to taxation authorities, inclusive of interest and penalties, for customers that we did not collect sales taxes from, due to misclassifications of products and services for sales tax purposes. We do not expect sales taxes and related interest and penalties to be an ongoing component of our general and administrative expense as we complete voluntary disclosure agreements, register with certain tax authorities, and commence collection of sales taxes from customers in these tax jurisdictions.

*Depreciation and Amortization*. Depreciation and amortization expenses consist primarily of amortization of intangible assets resulting from acquisitions and business combinations, as well as depreciation of property and equipment. We anticipate depreciation of property and equipment as a percentage of revenue to moderately decrease, although amortization will increase if we make additional acquisitions in the future.

*Transaction, integration, and restructuring expenses*. Transaction, integration, and restructuring expenses are costs directly associated with various acquisition and integration activities we have undertaken, primarily accounting and legal due diligence, and consulting and advisory fees, as well as expenses related to our restructuring plan plans announced in the first quarter and third quarters of 2023 and our office relocations.

*Goodwill impairment*. Goodwill represents the excess of consideration transferred over the fair value of tangible and identifiable intangible net assets acquired and the liabilities assumed in a business combination. Substantially all of our goodwill was recognized in the purchase price allocations when our Company was acquired in 2019 by advent, with smaller incremental amounts recognized in subsequent business combinations. Goodwill is not amortized, but is tested for impairment at the reporting unit level annually and more frequently if indicators of potential impairment arise. In conducting the impairment test, we first review qualitative factors to determine whether it is more likely than not that the fair value of our single reporting unit is less than its carrying amount.

When testing goodwill for impairment, we have the option of first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If we elect to bypass the qualitative assessment, or if a qualitative assessment indicates it is more likely than not that carrying value exceeds its fair value, we perform a quantitative goodwill impairment test. Under the quantitative goodwill impairment test, if our reporting unit's carrying amount exceeds its fair value, we will record an impairment charge based on that difference. The Company performed interim goodwill impairment tests during the third quarter of 2023 and concluded that the carrying value of the single reporting unit exceeded its fair value and recorded a $287.4 million non-cash goodwill impairment charge for the three months ended September 30, 2023.

***Other Expense, Net***

Other expense, net consists primarily of interest expense, interest income, and other expense, net.

*Interest expense* consists of interest expense on our debt obligations and the amortization of debt discounts and debt issuance costs. We expect, as a result of recently rising interest rates, that interest expense will increase for 2023 over prior periods for the unhedged portion of our outstanding debt while interest rate swap agreements will keep the hedged portion of outstanding debt fixed.

*Interest income* consists of earnings resulting from our short-term investments.

*Other income (expense), net* consists primarily of the revaluation of tax receivable agreement liabilities and realized and unrealized gains and losses related to the impact of transactions denominated in a foreign currency. Significant changes in the projected liability resulting from the tax receivable agreement may occur based on changes in anticipated future taxable income, changes in applicable tax rates, or other changes in tax attributes that may occur and could affect the expected future tax benefits to be received by us. We do not have significant exposure to foreign exchange volatility and do not anticipate foreign currency transaction gains or losses to materially impact our results of operations.



**Results of Operations**

The following table sets forth a summary of our condensed consolidated statements of operations for the periods presented:

| | Three Months Ended June 30, | | Six Months Ended June 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |

| *(in thousands)* | | (As Restated) | | (As Restated) | | (As Restated) | | (As Restated) |
|---|---|---|---|---|---|---|---|---|
| Revenue | $ 60,957 | $ 54,548 | $ 120,158 | $ 104,672 | $ 65,325 | $ 57,382 | $ 185,483 | $ 162,054 |
| Cost of revenue: | | | | | | | | |
| Cost of revenue exclusive of amortization | 8,078 | 6,198 | 16,630 | 12,148 | 8,663 | 6,569 | 25,293 | 18,717 |
| Amortization | 3,090 | 5,580 | 6,444 | 10,958 | 3,232 | 3,155 | 9,676 | 14,113 |
| Total cost of revenue | 11,168 | 11,778 | 23,074 | 23,106 | 11,895 | 9,724 | 34,969 | 32,830 |
| Gross profit | 49,789 | 42,770 | 97,084 | 81,566 | 53,430 | 47,658 | 150,514 | 129,224 |
| Operating expenses: | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Sales and marketing | 24,702 | 23,585 | 48,125 | 44,878 | 22,804 | 21,184 | 70,929 | 66,062 |
| Product development | 10,229 | 8,706 | 20,113 | 15,556 | 10,759 | 9,205 | 30,872 | 24,761 |
| General and administrative | 13,670 | 10,056 | 27,749 | 21,091 | 14,545 | 14,349 | 42,294 | 35,440 |
| Depreciation and amortization | 9,688 | 10,194 | 19,278 | 20,068 | 9,795 | 10,037 | 29,073 | 30,105 |
| Transaction, integration, and restructuring expenses | 3,571 | 2,107 | 6,161 | 3,417 | 3,505 | 2,945 | 9,666 | 6,362 |
| Goodwill impairment | | | | | 287,400 | — | 287,400 | — |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Total operating expenses | 61,860 | 54,648 | 121,426 | 105,010 | 348,808 | 57,720 | 470,234 | 162,730 |
| Loss from operations | (12,071) | (11,878) | (24,342) | (23,444) | (295,378) | (10,062) | (319,720) | (33,506) |
| Total other (expense) income, net | (1,018) | 1,523 | (5,429) | (376) | | | | |
| Total other income, net | | | | | 29,156 | 3,162 | 23,727 | 2,786 |
| Net loss before income taxes | (13,089) | (10,355) | (29,771) | (23,820) | (266,222) | (6,900) | (295,993) | (30,720) |
| Benefit from income taxes | 1,484 | 213 | 2,194 | 639 | 17,534 | 15 | 19,728 | 654 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Net loss | (11,605) | (10,142) | (27,577) | (23,181) | (248,688) | (6,885) | (276,265) | (30,066) |
| Less: Net loss attributable to noncontrolling interests | (3,039) | (4,656) | (6,948) | (9,114) | (77,162) | (3,865) | (84,110) | (12,979) |
| Net loss attributable to Definitive Healthcare Corp. | $ (8,566) | $ (5,486) | $ (20,629) | $ (14,067) | $ (171,526) | $ (3,020) | $ (192,155) | $ (17,087) |

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***Three Months Ended June 30, 2023 September 30, 2023 compared to Three Months Ended June 30, 2022September 30, 2022***

**Revenue**

Revenue increased $6.4 million $7.9 million, or 12% 14%, in the three months ended June 30, 2023 September 30, 2023 compared with the same period in the prior year, driven primarily by higher subscription revenue of $6.1 million $6.4 million and higher professional service revenue of $0.3 million $1.5 million. Increases from were primarily driven by the organic addition of new customers in the amount of $7.9 million was $8.7 million and by the acquisition of Populi in the amount of $2.0 million, partially offset by a $1.4 million $2.8 million net reduction in revenue from customers that existed as of the end of the prior year. comparable prior-year period, which was driven primarily by heightened churn during the current period resulting from a challenging macroeconomic environment.

**Cost of Revenue**

Cost of revenue decreased $0.6 million increased $2.2 million, or 5% 22%, in the three months ended June 30, 2023 September 30, 2023 compared with the same period in the prior year. This decrease increase was almost entirely driven by a $2.5 million reduction in amortization, primarily due to a substantial acquired data asset reaching the end of its economic life in July 2022. This decrease was partially offset by a $1.8 million $2.1 million increase in hosting fees and data subscription costs as a result of expanded customer usage of our platform, and the rollout of additional third-party data sources to our customers at the beginning of 2023. 2023, and the Populi acquisition.

**Operating Expenses**

Operating expenses, which include a goodwill impairment charge of $287.4 million during the three months ended September 30, 2023 (refer to Note 7. *Goodwill and Intangible Assets* for further details), increased $7.2 million $291.1 million, or 13% 504%, during the three months ended June 30, 2023 September 30, 2023 compared with the same period in the prior year. While inflation has generally contributed to rising vendor and labor costs, we believe the remainder of the increase to operating expenses as compared to the prior-year period was primarily due to:

- An an increase in sales and marketing expense of $1.1 million $1.6 million for the three months ended June 30, 2023 September 30, 2023, due primarily to increased personnel costs resulting from additional hiring, partially offs by decreases in stock-based compensation expense due to from new equity grants, key role transitions; transitions over the past year, and higher amortization of contract commission costs;
- An an increase in product development expense of $1.5 million $1.6 million for the three months ended June 30, 2023 September 30, 2023, due primarily to increases in stock-based compensation expense from new equity gran and increased personnel costs resulting from additional hiring, partially offset by decreases in professional fees; co
- An an increase in general and administrative expense of $3.6 million $0.2 million for the three months ended June 2023 September 30, 2023, due primarily to increases in personnel costs, including stock-based compensation expense from new equity grants and key role transitions over the past year, along with increases in sales tax expe from increased sales of services to customers, representing amounts payable, inclusive of interest and penalties, t taxation authorities in which we did not charge the customer for sales taxes, and an increase in bad debt expense, partially offset by savings from franchise and other taxes, new insurance policies, and reduced professional fees; a reduction of bad debt expense; and
- An an increase in transaction, integration and restructuring expenses of $1.5 million $0.6 million for the three mont ended June 30, 2023 September 30, 2023, due primarily to costs associated with restructuring plans announced ir first and third quarters of 2023 and the acquisition of Populi and our restructuring plan announced on January 12, 2023, Populi. These expenses were partially offset by impairments of assets associated with the exit of certain leas office facilities savings resulting from a go-to-market integration project conducted in the prior period. third quarter ( 2022 that did not repeat in 2023.

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

Total other expense, income, net was $1.0 million $29.2 million for the three months ended June 30, 2023 September 30, 2023 compared to total other income, net of $1.5 million $3.2 million, as restated, in the same period in the prior year. The overall decrease increase was primarily attributed to a $4.9 million $24.0 million increase in other expense, income, net, primarily due to a $24.4 million TRA liability remeasurement loss gain driven by future realizability of tax attributes payable under the TRA and the impact of the goodwill impairment and partially offset by a $1.0 million $0.5 million foreign currency translation loss, along with a $2.9 million increase in interest income earned from our short-term investments. These changes that contributed to the increase were partially offset by a $0.8 million increase in interest expense due to rising interest rates from our debt obligations, partially offset by a $3.4 million increase in interest income earned from our short-term investments. obligations.

**Benefit from Income Taxes**

Benefit from income taxes was $17.5 million for the three months ended September 30, 2023 compared to less than $0.1 million, as restated, in the same period in the prior year. The overall increase was primarily attributed to the impairment of goodwill during the current period, resulting in a reduction of indefinite-lived deferred tax liabilities.



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***Six Nine Months Ended June 30, 2023 September 30, 2023 compared to Six Nine Months Ended June 30, 2022 September 30, 2022***

**Revenue**

Revenue increased $15.5 million $23.4 million, or 15% 14%, in the six nine months ended June 30, 2023 September 30, 2023 compared with the same period in the prior year, driven primarily by higher subscription revenue of $14.8 million $21.2 million and higher professional service revenue of $0.7 million $2.2 million. Increases from were primarily driven by the organic addition of new customers in the amount of $16.0 million and $18.0 million, the acquisition of Analytical Wizards Populi in February 2022 the third quarter of 2023 in the amount of $1.3 million were partially offset by $2.0 million, a $1.8 million reduction $1.9 million net increase in revenue from customers that existed as of the end of the prior year. year period, and the acquisition of Analytical Wizards in the first quarter of 2022 in the amount of $1.6 million.

**Cost of Revenue**

Cost of revenue increased $2.1 million, or 7%, for the six nine months ended June 30, 2023 September 30, 2023 compared with the same period in the prior year remained flat. Expanded year. This increase was driven primarily by a $5.8 million increase in hosting fees and data subscription costs as a result of expanded customer usage of our platform, and the rollout of additional third-party data sources to our customers at the beginning of 2023, increased hosting fees and data subscription costs by $3.8 million. In addition, the Populi acquisition, along with an increase of $0.7 million in employee costs increased by $0.7 million due to the expansion of customer support and professional service roles, primarily resulting from the acquisition of Analytical Wizards in February 2022. These increases were partially offset by a $4.5 million $4.4 million reduction in amortization, primarily due to a substantial acquired data asset reaching the end of its economic life in July 2022.

### Operating Expenses

Operating expenses, which include a goodwill impairment charge of $287.4 million during the nine months ended September 30, 2023 (refer to Note 7. *Goodwill and Intangible Assets* for further details), increased $16.4 million $307.5 million, or 16% 189%, during the six nine months ended June 30, 2023 September 30, 2023 compared with the same period in the prior year. While inflation has generally contributed to rising vendor and labor costs, we believe the remainder of the increase to operating expenses as compared to the prior-year period was primarily due to:

- An an increase in sales and marketing expense of $3.2 million $4.9 million for the six nine months ended June 30, 2023 September 30, 2023, due primarily to increased personnel costs resulting from additional hiring along with increased advertising costs, partially offset by decreases in stock-based compensation expense due to and key rol transitions; transitions over the past year, and higher amortization of contract commission costs;
- An an increase in product development expense of $4.6 million $6.1 million for the six nine months ended June 30, 2023, due primarily to increases in stock-based compensation expense and increased personnel costs resulting fr additional hiring;
- An increase in general and administrative expense of $6.7 million for the six months ended June 30, 2023 Septem 30, 2023, due primarily to increases in stock-based compensation expense from new equity grants and key role transitions over the past year, along with increases in sales tax expense from increased sales of services to customers, representing amounts payable, inclusive of interest and penalties, to taxation authorities in which we di not charge the customer for sales taxes, and year;
- an increase in bad debt general and administrative expense of $6.9 million for the nine months ended September 3 2023, due primarily to increases in personnel costs, including stock-based compensation expense from new equity grants and key role transitions over the past year, partially offset by savings from franchise and other taxes and ne insurance policies, rent policies; and facility costs due to prior year office closures, and reduced professional fees;
- An an increase in transaction, integration and restructuring expenses of $2.7 million $3.3 million for the six nine mo ended June 30, 2023 September 30, 2023, due primarily to costs associated with restructuring plans announced ir first and third quarters of 2023 and the acquisition of Populi and our restructuring plan announced on January 12, 2023, Populi. These expenses were partially offset by impairments of assets associated with the exit of certain leas office facilities savings resulting from a go-to-market integration project conducted in the prior period. third quarter c 2022 that did not repeat in 2023.

### Total Other Expense, Income, Net

Total other expense, income, net was $5.4 million $23.7 million for the six nine months ended June 30, 2023 September 30, 2023 compared to total other expense, income, net of $0.4 million $2.8 million, as restated, in the same period in the prior year. The overall increase was primarily attributed to a $8.5 million $15.4 million increase in other expense, income, net, primarily due to a $16.4 million TRA liability remeasurement loss gain driven by future realizability of tax attributes payable under the TRA and the impact of the goodwill impairment and partially offset by a $2.7 million $1.0

million foreign currency translation loss, along with a $9.0 million increase in interest income earned from our short-term investments. The changes that contributed to the increase were partially offset by a $3.5 million increase in interest expense due to rising interest rates from our debt obligations, partially offset by obligations.

**Benefit from Income Taxes**

Benefit from income taxes was $19.7 million for the nine months ended September 30, 2023 compared to $0.7 million, as restated, in the same period in the prior year. The overall increase was primarily attributed to the impairment of goodwill during the current period, resulting in a $6.2 million increase in interest income earned from our short-term investments. reduction of indefinite-lived deferred tax liabilities.



**Liquidity and Capital Resources**

***Overview***

As of June 30, 2023 September 30, 2023, we had $132.4 million $77.5 million of cash and cash equivalents, $218.5 million $229.6 million of short-term investments, and $75.0 million available under our revolving credit facility. Our principal sources of liquidity are cash and cash equivalents and short-term investments on hand, primarily from our IPO and follow-on offerings, as well as the cash flows we generate from operations. Our principal uses of liquidity have been and are expected to continue to be primarily for investment in long-term growth of the business through capital expenditures and acquisitions, including the acquisition of Populi in July 2023, as well as debt services (see Note 9. *Long-Term Debt* for further details) and distributions to members of Definitive OpCo.

All of our business is conducted through Definitive OpCo and its consolidated subsidiaries and affiliates, and the financial results are included in the condensed consolidated financial statements of Definitive Healthcare Corp. Definitive Healthcare Corp. has no independent means of generating revenue. The Amended LLC Agreement provides that certain distributions will be made to cover Definitive Healthcare Corp.'s taxes and such tax distributions are also expected to be used by Definitive Healthcare Corp. to satisfy its obligations under the TRA. We have broad discretion to make distributions out of Definitive OpCo. In the event Definitive Healthcare Corp. declares any cash dividend, we expect to cause Definitive OpCo to make distributions to us, in an amount sufficient to cover such cash dividends declared by us. Deterioration in the financial condition, earnings, or cash flow of Definitive OpCo and its subsidiaries for any reason could limit or impair their ability to pay such distributions. In addition, the terms of our 2021 Credit Agreement contain covenants that may restrict DH Holdings and its subsidiaries from paying such distributions, subject to certain exceptions. Further, Definitive OpCo and Definitive Healthcare Corp. are generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of Definitive OpCo and DH Holdings (with certain exceptions), as applicable, exceed the fair value of its assets. Subsidiaries of DH Holdings are generally subject to similar legal limitations on their ability to make distributions to DH Holdings.

We believe that our cash flow from operations, availability under the 2021 Credit Agreement and available cash and cash equivalents and short-term investments will be sufficient to meet our liquidity needs for at least the next twelve months. We anticipate that to the extent that we require additional liquidity, it will be funded through the incurrence of additional indebtedness, the issuance of additional equity, or a combination thereof. We cannot provide assurance that we will be able to obtain this additional liquidity on reasonable terms, or at all.

Additionally, our liquidity and our ability to meet our obligations and fund our capital requirements are dependent on our future financial performance, which is subject to general economic, financial, and other factors that are beyond our control. See “Risk Factors” in our 2022 Form 10-K/A and the factors described elsewhere in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Macroeconomic conditions, including rising inflation and a potential recession, could increase our anticipated funding requirements. In the event we need to seek additional funding, rising interest rates, stock market volatility, or other unfavorable macroeconomic conditions may also prevent us from obtaining additional financing on favorable terms or at all. Moreover, the recent closures of Silicon Valley Bank and Signature Bank have resulted in broader financial institution liquidity risk and concerns. Future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market-wide liquidity shortages that could impact us and our customers, and materially harm our business and financial condition. Our ability to access our cash, cash equivalents and investments, including transferring funds, making payments or receiving funds could be threatened and our ability to raise additional capital could be substantially impaired, any of which could materially and adversely affect our business and financial condition. Accordingly, we cannot provide assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available from additional indebtedness or otherwise to meet our liquidity needs. In addition, if we decide to pursue one or more significant acquisitions, we may incur additional debt or sell or issue additional equity to finance such acquisitions, which could possibly result in additional expenses or dilution.

***Credit Risk***

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, and trade and other receivables. We hold cash with reputable financial institutions that often exceed federally insured limits. We manage our credit risk by concentrating our cash deposits with high-quality financial institutions and periodically evaluating the credit quality of those institutions. The carrying value of cash approximates fair value.

***Impact of Inflation***

We do not believe inflation has had a material effect on our business, financial condition, or results of operations. However, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset higher costs through price increases and our inability or failure to do so could potentially harm our business, financial condition, and results of operations.

***Cash Flows***

The following table summarizes our cash flows for the periods presented:

| *(in thousands)* | Six Months Ended June 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Cash provided by (used in): | | | | |
| Operating activities | $ 26,994 | $ 29,114 | $ 36,481 | $ 39,799 |
| Investing activities | (32,130) | (177,033) | (86,189) | (181,017) |
| Financing activities | (9,156) | (11,124) | (19,522) | (17,239) |
| Change in cash and cash equivalents (excluding effect of exchange rate changes) | $ (14,292) | $ (159,043) | $ (69,230) | $ (158,457) |

*Cash Flows provided by Operating Activities*

Net cash provided by operating activities was $27.0 million $36.5 million during the six nine months ended June 30, 2023 September 30, 2023, primarily as a result of a net loss of $27.6 million $276.3 million, offset by non-cash charges of $58.6 million $327.9 million. The non-cash charges were primarily comprised of a $287.4 million goodwill impairment charge recorded during the third quarter of 2023, amortization of intangible assets of $24.8 million $37.4 million, equity compensation costs of $23.5 million $35.5 million, and a loss gain on remeasurement of the TRA of $4.7 million, and amortization of deferred contract costs of $6.0 million $25.0 million. The net decrease in operating assets and liabilities of $4.1 million $15.2 million for the nine months ended September 30, 2023 was primarily driven by cash outflows resulting from an increase in deferred contract costs of $9.1 million, lower accounts payable, accrued expenses, and other current liabilities, collectively, of $3.0 million, an increase in prepaid expense and other assets of $3.6 million, and a decrease in deferred revenue of $2.2 million $14.1 million due to the timing of billings and cash received in advance of revenue recognition for subscription services. services, an increase in deferred contract costs of $13.0 million, an increase in prepaid expenses and other assets of $5.8 million, and cash outflows resulting from lower accounts payable, accrued expenses, and other current liabilities, collectively, of $1.6 million. These factors were partially offset by a decrease in accounts receivable of $13.9 million $19.4 million.

*Cash Flows used in Investing Activities*

Cash used in investing activities during the six nine months ended June 30, 2023 September 30, 2023 was $32.1 million $86.2 million, driven primarily by $132.8 million $213.6 million in purchases of short-term investments and $45.0 million in cash paid for the acquisition of Populi, net of cash acquired, partially offset by $102.7 million $174.8 million in maturities of short-term investments.

*Cash Flows used in Financing Activities*

Cash used in financing activities during the six nine months ended June 30, 2023 September 30, 2023 was $9.2 million $19.5 million, primarily driven by $10.7 million in tax distribution payments to members, repayments of the 2021 Term Loan (as defined below) of $3.4 million $5.2 million, $2.8 million in tax distribution payments to members, and taxes paid related to the net share settlement of equity awards of $2.6 million $3.4 million.

Refer to *Debt Obligations* for additional information related to our debt obligations.

***Debt Obligations***

On September 17, 2021, DH Holdings entered into the 2021 Credit Agreement, providing for (i) a $275.0 million term loan A facility (the “2021 Term Loan”) and (ii) a $75.0 million revolving credit facility (the “2021 Revolving Line of Credit”). The 2021 Term Loan of $275.0 million has a maturity date of September 17, 2026. The 2021 Term Loan was recorded net of $3.5 million in issuance costs, which are amortized to interest expense over the term of the loan using the effective interest method.

The 2021 Term Loan is subject to annual amortization of principal, payable in equal quarterly installments on the last day of each fiscal quarter, commencing on the Initial Amortization Date, equal to approximately 2.5% per annum of the principal amount of the term loans in the first year and second year after the Initial Amortization Date and approximately 5.0% per annum of the principal amount of the term loans in the third year, fourth year, and fifth year after the Initial Amortization Date. A balloon payment of approximately $220.0 million will be due at maturity. There was $263.0 million $261.3 million outstanding on the 2021 Term Loan at June 30, 2023 September 30, 2023.

The 2021 Revolving Line of Credit is committed for $75.0 million and has a maturity date of September 17, 2026. There was no outstanding balance as of June 30, 2023 September 30, 2023. On October 31, 2022, the Company amended the 2021 Credit Agreement to replace the LIBO rate with Term SOFR plus an applicable rate.

The 2021 Credit Agreement includes certain financial covenants, and the Company was compliant with its financial covenants under the 2021 Credit Agreement as of June 30, 2023 September 30, 2023 and December 31, 2022.



***Tax Receivable Agreement***

In connection with the Reorganization Transactions and the IPO, the Company entered into the TRA with certain of our pre- IPO unitholders and the former shareholders of certain Blocker Companies. The TRA provides for the payment by Definitive Healthcare Corp. of 85% of the amount of any tax benefits that it actually realizes, or in some cases is deemed to realize, as a result of (i) certain tax attributes that it acquired from the Blocker Companies in the Reorganization Transactions (including net operating losses and the unamortized portion of the increase in tax basis in the tangible and intangible assets of Definitive OpCo and its subsidiaries resulting from the prior acquisitions of interests in Definitive OpCo by the Blocker Companies), (ii) certain tax basis adjustments resulting from the acquisition of LLC Units by Definitive Healthcare Corp., and (iii) certain payments made under the TRA.

In each case, these tax basis adjustments generated over time may increase (for tax purposes) the Definitive Healthcare Corp.'s depreciation and amortization deductions and, therefore, may reduce the amount of tax that the Definitive Healthcare Corp. would otherwise be required to pay in the future, although the IRS may challenge all or part of the validity of that tax basis, and a court could sustain such a challenge. The anticipated tax basis adjustments upon redemptions or exchanges of LLC Units may also decrease gains (or increase losses) on future dispositions of certain assets to the extent tax basis is allocated to those assets. The payment obligations under the TRA are an obligation of Definitive Healthcare Corp., but not of Definitive OpCo. Definitive Healthcare Corp. expects to benefit from the remaining 15% of realized cash tax benefits. For purposes of the TRA, the realized cash tax benefits will be computed by comparing the actual income tax liability of Definitive Healthcare Corp. (calculated with certain assumptions) to the amount of such taxes that Definitive Healthcare Corp. would have been required to pay had there been no tax basis adjustments of the assets of Definitive Healthcare Corp. as a result of redemptions or exchanges and no utilization of certain tax attributes of the Blocker Companies, and had Definitive Healthcare Corp. not entered into the TRA. The term of the TRA will continue until all such tax benefits have been utilized or expired, unless (i) Definitive Healthcare Corp. exercises its right to terminate the TRA for an amount based on the agreed payments remaining to be made under the agreement, (ii) Definitive Healthcare Corp. breaches any of its material obligations under the TRA in which case all obligations (including any additional interest due relating to any deferred payments) generally will be accelerated and due as if Definitive Healthcare Corp. had exercised its right to terminate the TRA, or (iii) there is a change of control of Definitive Healthcare Corp., in which case, all obligations (including any additional interest due relating to any deferred payments) generally will be accelerated and due as if Definitive Healthcare Corp. had exercised its right to terminate the TRA as described above in clause (i). Estimating the amount of payments that may be made under the TRA is by its nature imprecise, insofar as the calculation of amounts payable depends on a variety of factors. The amount of the anticipated tax basis adjustments, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the timing of exchanges, the price of shares of our Class A Common Stock at the time of an exchange, the extent to which such exchanges are taxable, the amount of tax attributes, and the amount and timing of our income.

We expect that as a result of the size of the anticipated tax basis adjustment of the tangible and intangible assets of Definitive OpCo upon the exchange or redemption of LLC Units and our possible utilization of certain tax attributes, the payments that Definitive Healthcare Corp. may make under the TRA will be substantial. The payments under the TRA are not conditioned upon continued ownership of us by the exchanging holders of LLC Units. See Note 15. *Income Taxes* in our unaudited condensed consolidated financial statements.

**Capital Expenditures**

Capital expenditures increased decreased by $0.5 million $1.1 million to $2.1 million $2.4 million for the six nine months ended June 30, 2023 September 30, 2023 compared to $1.6 million $3.5 million for the same period in the prior year, primarily due to the acquisition fewer purchases of new data sources.sources in the current year period.

**Critical Accounting Policies and Estimates**

Our unaudited interim condensed consolidated financial statements have been prepared in accordance with GAAP, which requires us to make estimates and assumptions that affect reported amounts. The estimates and assumptions are based on historical experience and on other factors that we believe to be reasonable. Actual results may differ from those estimates. We review these estimates on a periodic basis to ensure reasonableness. Although actual amounts may differ from such estimated amounts, we believe such differences are not likely to be material. For additional detail regarding our critical accounting policies and estimates including business combinations, goodwill and indefinite-lived intangible assets, and income taxes, see our discussion for the year ended December 31, 2022 included in our 2022 Form 10-K/A. There have been no material changes to these policies or estimates as of June 30, 2023 September 30, 2023.

***New Accounting Pronouncements***

See new accounting pronouncements described under "—Adoption of Recently Issued Financial Accounting Standards" and "—Recently Issued Accounting Pronouncements Not Yet Adopted" within Note 1. *Organization and Basis of Presentation* in the Notes to the unaudited interim condensed consolidated financial statements.

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## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial condition due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure due to potential changes in inflation, interest rates, or currency rates.

***Interest Rate Risk***

Our cash, cash equivalents, and short-term investments primarily consist of cash on hand and highly liquid investments in money market funds, U.S. government securities, and commercial paper. As of June 30, 2023 September 30, 2023, we had cash and cash equivalents of $132.4 million $77.5 million and short-term investments of $218.5 million $229.6 million.

Our operating results are subject to market risk from interest rate fluctuations on our 2021 Term Loan, which bears a variable interest rate based on the SOFR Secured Overnight Financing Rate ("SOFR") or a Base Rate plus an applicable margin. In order to reduce the interest rate risk on our debt, we have entered into an interest rate swap agreement on a portion of our borrowings. As of June 30, 2023 September 30, 2023, the total principal balance outstanding was $263.0 million $261.3 million. Excluding the effect of the interest rate swap agreement, a hypothetical 1.0% increase or decrease in the interest rate associated with borrowings under the 2021 Credit Agreement would have resulted in an impact to interest expense of approximately $1.3 million $2.0 million for the six nine months ended June 30, 2023 September 30, 2023.

***Foreign Currency Exchange Risk***

To date, the majority of our sales contracts have been denominated in U.S. dollars. We have one foreign entity established in Sweden and one in India. The functional currencies of these foreign subsidiaries are the Swedish Krona and the Indian Rupee, respectively. Assets and liabilities of the foreign subsidiaries are translated into U.S. dollars at the exchange rates in effect at the reporting date and revenue and expenses are translated at average exchange rates in effect during each reporting period. Realized and unrealized foreign currency transaction gains and losses are recorded to non-operating loss. As the impact of foreign currency exchange rates has not been material to our historical results of operations, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

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**ITEM 4. CONTROLS AND PROCEDURES**

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

As of the end of the period covered by this Quarterly Report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on such evaluation, management identified a material weakness in our internal control over financial reporting which was also disclosed in the 2022 Form 10-K/A. As a result of this material weakness, management concluded that our disclosure controls and procedures were not effective as of June 30, 2023 September 30, 2023.

***Material Weakness***

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 annual or interim financial statements will not be prevented or detected on a timely basis.

We identified a material weakness in the design of our controls over the collection and remittance of sales taxes, as well as the accurate recording of our sales tax obligations in the financial statements. This material weakness resulted in the restatement of our financial statements as of and for the years ended December 31, 2022, 2021 and 2020, the unaudited condensed consolidated quarterly financial information for the quarterly periods in the years ended December 31, 2022, 2021, and 2020, as well as the unaudited condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.

This material weakness remains unremediated as of June 30, 2023 September 30, 2023. Management is taking steps to remediate this material weakness (see "Remediation Plan in Response to Material Weakness" below for details).

***Remediation Plan in Response to Material Weakness***

In response to the identified material weakness, management, with the oversight of the Audit Committee of the Board of Directors, has immediately dedicated resources, including the involvement of additional outside advisors, to put in place effective controls over identification of changes in products and services that affect classification of products and services for sales tax purposes. Certain remedial actions have been completed including engagement of additional third-party tax experts and a review of the classification for sales tax purposes of new and/or enhanced products and services. The Company is We are completing ongoing remediation steps, including enhancements to sales tax nexus reviews, and the collection, control and subsequent monitoring of applicable documentation of exempt status from customers in affected jurisdictions. The Company plans We are in the process of implementing enhancements to our sales tax technology platform to automate steps in the process and will continue to further enhance these controls over the remainder of 2023.

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

During the quarter ended June 30, 2023 September 30, 2023, other than the items noted above regarding the remediation plan in response to the material weakness over sales tax reporting controls, no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred that has have materially affected, or is are reasonably likely to materially affect, our internal control over financial reporting, as the circumstances that led to the restatement of the financial statements for the quarter ended June 30, 2023 had not yet been identified. reporting.

***Inherent Limitations on Effectiveness of Controls and Procedures***

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived 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 limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the 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 the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.



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**PART II - OTHER INFORMATION**

### ITEM 1. LEGAL PROCEEDINGS

We are subject to various legal proceedings, claims, and governmental inspections, audits, or investigations that arise in the ordinary course of our business. There are inherent uncertainties in these matters, some of which are beyond management's control, making the ultimate outcomes difficult to predict. Moreover, management's views and estimates related to these matters may change in the future, as new events and circumstances arise and the matters continue to develop. Although the outcomes of these matters cannot be predicted with certainty, in the opinion of management, the ultimate resolution of these matters would not be expected to have a material adverse effect on our financial position, results of operations, or cash flows.

### ITEM 1A. RISK FACTORS

For a more detailed discussion of our risks and uncertainties, see also Item 1A – Risk Factors in our 2022 Form 10-K/A. Except as noted below, there have been no material changes in our risk factors since the filing of our 2022 Form 10-K/A.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, AND USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Pursuant to the terms of the Amended LLC Agreement, holders of LLC Units have the right to exchange all or a portion of their LLC Units for newly issued shares of Class A Common Stock on a one-for-one basis, which issuances are made in reliance on Section 4(a)(2) of the Securities Act. Upon any such exchange, a corresponding number of shares of Class B Common Stock held by such LLC Unit holders are cancelled. Such exchanges executed in the second third quarter of 2023 are as follows:

| Date of Exchange | Number of Shares Exchanged |
|---|---|
| April 10, July 5, 2023 | 1,011 108,573 |
| May July 24, 2023 | 30,125 |
| July 31, 2023 | 11,401 |
| August 22, 2023 | 2,898,179 |
| September 11, 2023 | 2,717,043 5,000 |
| September 25, 2023 | 4,188 |
| Total | 2,718,054 3,057,466 |

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. OTHER INFORMATION

***Trading Arrangements***

None.



## ITEM 6. EXHIBITS

Exhibits filed or furnished herewith are designated by a cross (+ an asterisk (*); all exhibits not so designated are incorporated by reference to a prior filing as indicated. Agreements included as exhibits are included only to provide information to investors regarding their terms. Agreements listed below may contain representations, warranties, and other provisions that were made, among other things, to provide the parties thereto with specified rights and obligations and to allocate risk among them, and no such agreement should be relied upon as constituting or providing any factual disclosures about Definitive Healthcare Corp., any other persons, any state of affairs, or other matters.

| Exhibit Number | Description |
|---|---|
| 3.1 | Amended and Restated Certificate of Incorporation of Definitive Healthcare Corp. (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-40815) filed with the SEC on November 8, 2021). |
| 3.2 | Amended and Restated Bylaws of Definitive Healthcare Corp. (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-40815) filed with the SEC on November 8, 2021). |
| 10.1* 10.1 | The Definitive Healthcare Corp. Director Compensation Plan. 2023 Inducement Plan (incorporated by reference to Exhibit 99.1 to the Company's S-8 (File No. 333-274370) filed with the SEC on September 6, 2023). |
| 10.2 | Form of RSU Award Agreement under 2023 Inducement Plan (incorporated by reference to Exhibit 99.2 to the Company's S-8 (File No. 333-274370) filed with the SEC on September 6, 2023). |
| 10.3 | Form of PSU Award Agreement under 2023 Inducement Plan (incorporated by reference to Exhibit 99.3 to the Company's S-8 (File No. 333-274370) filed with the SEC on September 6, 2023). |
| 10.4* | Employment Agreement, dated October 2, 2023, between Carrie Lazorchak and Definitive Healthcare Corp. |
| 10.5 | Separation Agreement, dated October 2, 2023, between Joseph Mirisola and Definitive Healthcare, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-40815) filed with the SEC on October 5, 2023). |

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| 31.1* | Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1*+ | Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS* | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104* | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

* Filed herewith.

+ The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Definitive Healthcare Corp. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.



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**SIGNATURES**

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

DEFINITIVE HEALTHCARE CORP.

Registrant

| | |
|---|---|
| August 14, November 2, 2023 | By: /s/ Robert Musslewhite |
| Date | Name: Robert Musslewhite |
| | Title: Chief Executive Officer and Director (*Principal Executive Officer*) |
| August 14, November 2, | By: /s/ Richard Booth |

2023

Date

Name: Richard Booth

Title: Chief Financial Officer (*Principal Financial Officer*)

5253

**Exhibit 10.4**

**Exhibit 10.1**

**DEFINITIVE HEALTHCARE CORP.**

**NON-EMPLOYEE DIRECTOR COMPENSATION POLICY**

**ADOPTED: APRIL 18, 2023 EMPLOYMENT AGREEMENT**

Each member This Agreement (the "**Agreement**"), dated as of October 2, 2023, is made and entered into by and between Definitive Healthcare, LLC, a Massachusetts limited liability company (the "**Company**"), and Carrie Lazorchak (the "**Executive**").

**Introduction**

The Company desires to retain the services of the Executive pursuant to the terms and conditions set forth herein and the Executive wishes to be employed by the Company on such terms and conditions. The Executive will be a senior executive of the Company, with significant access to information concerning the Company and its business. The disclosure or misuse of such information or the engaging in competitive activities would cause substantial harm to the Company.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1.Term**. All provisions of this Agreement, other than Section 7 hereof (the **"Non-Competition Covenant"**), shall become effective as of the Start Date (as defined below). The Non-Competition Covenant shall become effective on the tenth business day after the Executive has been provided by the Company with notice of the Non-Competition Covenant (the **"Non- Competition Covenant Effective Date"**). The Company shall employ the Executive hereunder from the Start Date until the Executive's employment with the Company is terminated. The Executive shall be employed on an "at will" basis. The Executive's start date with the Company, as an employee under this Agreement, shall be November 1, 2023 ("**Start Date**").

**2.Duties; Place of Employment**. The Executive will serve as the Chief Revenue Officer of the Company and shall have such authority, duties and responsibilities assigned to Executive by the Chief Executive Officer of the Company. The Executive will report to the Chief Executive Officer of the Company. The Executive may work remotely from Delaware so long as doing so does not interfere with the Executive's responsibilities under this Agreement; provided, that Executive shall be expected to travel, as needed, to the Company's corporate headquarters and to client sites.

**3.Full Time; Best Efforts**. The Executive shall use the Executive's best efforts to promote the interests of the Company and shall devote the Executive's full business time and efforts to its business and affairs. The Executive shall not engage in any other activity that could reasonably be expected to interfere with the performance of the Executive's duties, services and responsibilities hereunder. Nothing in this Agreement shall preclude the Executive from engaging in civic, charitable, and volunteer activities and, in the future, other boards with the prior approval of the Chief Executive Officer or the Board (as defined below) provided that such activities do not materially interfere with the Executive's proper performance of his duties and responsibilities on behalf of the Company.

**4.Compensation and Benefits**. During the term of this Agreement, the Executive shall be entitled to compensation and benefits as follows:

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**(a)** **Base Salary**. The Executive will receive a salary at the rate of $400,000 annually (the "**Base Salary**"), payable in accordance with the Company's standard payroll practices. The Compensation Committee ("**Compensation Committee**") of the Board of Directors (the "**Board**") who is not (i) also serving as an employee of or consultant to Definitive Healthcare Corp. (the "("**Company Parent**") shall determine, on an annual basis and in its sole good faith discretion, whether to increase or any of its subsidiaries or (ii) otherwise modify the Executive's Base Salary.

**(b)** **Bonus**. The Executive shall be eligible to receive an employee of Advent International Corporation, or Spectrum Equity Management, L.P. or their respective affiliated funds (each such member, an "annual cash bonus ("**Eligible Director Annual Bonus**"), based on the Company achieving specified performance targets and other requirements which will receive be determined reasonably and in good faith on an annual basis for the compensation described corresponding year by the CEO and the Board or Compensation Committee in this policy for his or her Board service. An Eligible Director may decline all or any portion of his or her compensation by giving notice accordance with and subject to the Company prior to Definitive Healthcare Corp. Cash Incentive Plan. For 2023, the date cash may Annual Bonus opportunity for the Executive at "target" will be paid or equity awards are to 75% of Executive's Base Salary and payout will be granted, as pro-rated based upon the case may be. This policy is effective as of the date set forth above (the "***Effective Date***") and may Start Date. For future years, Executive will be amended at any time eligible for an Annual Bonus, which shall be determined in the sole discretion of the Board.

**A.Compensation Committee; provided, that for such future years, "target" Annual Cash Compensation**

The amounts Bonus opportunity shall be set forth below (collectively, the "***Annual Cash Compensation***") are payable at an amount equal to Eligible Directors in equal quarterly installments in arrears on the last day at least 75% of each fiscal quarter in which the service occurred (each such date, the "***Retainer Accrual Date***"). If an Eligible Director joins the Board or a committee of the Board at a time other than effective Executive's Base Salary as of the first day Start Date. The Executive must be actively employed by the Company through and including the date on which the Annual Bonus, if any, is paid to be eligible to receive it. All earned Annual Bonus amounts unpaid as of the end of a fiscal quarter calendar year shall be paid no later than March 15 of the Company, each amount set forth below will be pro-rated based on days served in the applicable fiscal quarter, with the pro-rated amount paid on the last day of the first fiscal quarter in which the Eligible Director provides the service and regular full quarterly payments thereafter. All Annual Cash Compensation amounts are vested upon payment. following calendar year.

**1. (c) Annual Board Service Retainer Bonus Pre-Payment.** : During calendar year 2024, the Executive will receive $50,000

2. Annual Committee Chair Service Retainer:
   a. Chair of the Audit Committee: $20,000
   b. Chair of Human Capital Management & Compensation Committee ("***HCMCC***"): $20,000
   c. Chair of the Nominating and Governance Committee: $10,000

**B.Expenses**

The Company will reimburse Eligible Directors for ordinary, necessary and reasonable out-of-pocket travel expenses to cover in-person attendance at and participation in Board and committee meetings; provided, that the Eligible Director timely submits to the Company appropriate documentation substantiating such expenses per calendar quarter, payable in accordance with the Company's travel standard payroll practices, as an advance payment against Executive's anticipated Annual Bonus that would otherwise be payable in 2025 with respect to 2024 performance (the "**2024 Bonus**"). Upon final determination by the Board of the 2024 Bonus amount actually earned and expense policy, payable, (a) if such 2024 Bonus amount actually payable exceeds $200,000, then Executive shall be paid the amount of such excess at the same time and in the same manner as in effect other similarly-situated executives of the Company; and (b) if the 2024 Bonus amount actually payable is less than $200,000, then the amount of such shortfall will be deducted on a ratable basis from time remaining payments otherwise payable to time.

C. Equity Executive during calendar year 2025. Notwithstanding the foregoing, if Executive's employment with the Company terminates prior to the Compensation

The equity compensation Committee's final determination of the 2024 Bonus amount, then Executive shall only be entitled to retain pre-paid Annual Bonus amounts, if any, on a pro-rated basis based upon days worked during the 2024 Bonus performance period, and subject to adjustment upon final determination of the 2024 Bonus amount as set forth below in the preceding sentence.

**(d) Shares**. As a material inducement to Executive to enter into and undertake employment pursuant to this Agreement, upon the Start Date, the Executive will be granted under receive a grant of restricted stock units ("**RSUs**") in Parent pursuant to the Company's Definitive Healthcare Corp. 2021 Equity Incentive Plan as may be amended from time to time, or any successor plan thereto (the the Definitive Healthcare Corp. 2023 Inducement Plan (as applicable, the "**Equity Plan**") and a restricted stock unit ("***RSU***") grant notice and the applicable award agreement thereunder.

1. Initial RSU Grants. For each Eligible Director who is first elected or appointed to the Board following the Effective Date, on the effective date of such Eligible Director's initial election or appointment to the Board (or, if such date is not a market trading day, the first market trading day thereafter) (the "***Appointment Effective Date***"), the Eligible Director will automatically, and without further action by the Board or the HCMCC, be granted RSUs with respect to shares of Common Stock with an aggregate value of $300,000 thereunder (the "**Initial RSU Grant**"). The Initial RSU Grant will have a target value at grant of $2,750,000, and the number of RSUs subject to the Initial RSU Grant will be determined by dividing the such target grant value by the simple average trailing 30-day closing price of the Company's Class A a share of Parent common stock as reported on Nasdaq, calculated using over the 30 thirty (30) trading days up immediately preceding (and not including) the Start Date. Subject to and including Executive's continued employment through each such vesting date, the Appointment Effective Date (or, if Initial RSU Grant will vest as follows: (i) 25% of the Appointment Effective Date is not a trading day, then the next trading day following the Appointment Effective Date), rounded up shares

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subject to the nearest whole share. Initial RSU Grant shall vest on the 1-year anniversary of the Start Date; and (ii) quarterly vesting of 6.25% of the shares subject to the Initial RSU Grant per quarter until fully vested, over the subsequent three (3) years.The Company understands that Executive would not accept employment with the Company but for the granting of the Initial RSU Grant. The Initial RSU Grant will vest over be granted pursuant to the "inducement grant exception" provided under Nasdaq Listing Rule 5635(c)(4) and Nasdaq IM-5635-1 and will be subject to the terms and conditions set forth in the applicable equity plan and award agreement governing the Initial RSU Grant. Executive is expected to comply with the minimum stockholding guidelines applicable to executive officers as adopted by the Compensation Committee, as the same may be amended from time to time.

**(e) Benefits**. In addition to the Base Salary and the compensation set forth above, the Executive shall be entitled to participate in Company benefit plans that are generally available to the Company's executive employees in accordance with and subject to the then existing terms and conditions of such plans. The Company may modify or terminate such benefit programs at any time in its sole discretion. If the Executive chooses to participate in a three-year Company-sponsored medical insurance plan, the Company will cover 100% of the costs of the premiums of such plan.

**(f) Change in Control Severance Plan.** Executive shall be entitled to participate as an "Eligible Employee" in the Definitive Healthcare Corp. Change in Control Severance Plan for Executives, as such may be amended from time to time.

**(g) Withholding**. The Company shall withhold from compensation payable to the Executive all applicable federal, state and local withholding taxes required to be withheld by the Company under applicable law.

**(h) D&O Insurance**. The Company will maintain a directors and officers liability policy covering Executive with coverage comparable or equal to that provided to other senior executives of the Company.

**5.Confidentiality; Intellectual Property**. The Executive agrees that during the Executive's employment or other business relationship with the Company, whether or not under this Agreement, and at all times thereafter:

(a) The Executive will not at any time, directly or indirectly, disclose or divulge any Confidential Information, except as required in connection with the performance of the Executive's duties for the Company, and except to the extent required by law (but only after the Executive has provided the Company with reasonable notice and opportunity to take action against any legally required disclosure). As used herein, "**Confidential Information**" means all trade secrets and all other information of a business, financial, marketing, technical or other nature relating to the business of the Company including, without limitation, any customer or vendor lists, prospective customer names, financial statements and projections, know-how, pricing policies, operational methods, methods of doing business, technical processes, formulae, designs and design projects, inventions, computer hardware, software programs, business plans and projects pertaining to the Company and including any information of others that the Company has agreed to keep confidential; *provided*, that Confidential Information shall not include any information that has entered or enters the public domain through no fault of the Executive.



(b) The Executive shall make no use whatsoever, directly or indirectly, of any Confidential Information at any time, except as required in connection with the performance of the Executive's duties for the Company.

(c) Upon the Company’s request following termination of employment, the Executive shall immediately deliver to the Company all materials (including all soft and hard copies) in the Executive’s possession or control which contain or relate to Confidential Information.

(d) All inventions, modifications, discoveries, designs, developments, improvements, processes, software programs, works of authorship, documentation, formulae, data, techniques, know-how, secrets or intellectual property rights or any interest therein (collectively, “**Developments**”) made by the Executive in connection with his employment with the Company, either alone or in conjunction with others, at any time or at any place during the Executive’s employment or other business relationship with the Company, whether or not under this Agreement and whether or not reduced to writing or practice during such period of employment, which relate to the business in which the Company is engaged or any actual or demonstrably anticipated research or development of the Company, shall be and hereby are the exclusive property of the Company without any further compensation to the Executive. In addition, without limiting the generality of the prior sentence, all Developments which are copyrightable work by the Executive are intended to be “work made for hire” as defined in Section 101 of the Copyright Act of 1976, as amended, and shall be and hereby are the property of the Company.

(e) The Executive shall promptly disclose any Developments to the Company. If any Development is not the property of the Company by operation of law, this Agreement or otherwise, the Executive will, and hereby does, assign to the Company all right, title and interest in such Development, without further consideration, and will assist the Company and its nominees in every way, at the Company’s expense, to secure, maintain and defend the Company’s rights in such Development. The Executive shall sign all instruments reasonably necessary for the filing and prosecution of any applications for, or extension or renewals of, letters patent (or other intellectual property registrations or filings) of the United States or any foreign country which the Company desires to file and relates to any Development. The Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive’s agent and attorney-in-fact (which designation and appointment shall be deemed coupled with one-third (1/3) an interest and shall survive the Executive’s death or incapacity), to act for and in the Executive’s behalf to execute and file any such applications, extensions or renewals and to do all other lawfully permitted acts to further the prosecution and issuance of such letters patent, other intellectual property registrations or filings or such other similar documents with the same legal force and effect as if executed by the Executive.

**(f) Protected Disclosures and Other Protected Actions.**

**(i)Government Agencies.** Nothing contained in this Agreement limits Executive's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state, or local



governmental agency or commission ("Government Agencies"). Executive further understand that this Agreement does not limit Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies, including providing documents or other information, without notice to the Company. This Agreement does not limit Executive's right to receive an award from a whistleblower award program administered by any Government Agencies for providing information to any Government Agencies.

**(ii)Immunity under Defend Trade Secrets Act.** In accordance with the Defend Trade Secrets Act of 2016, no employee will be held criminally or civilly liable under any federal or state trade secret law 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 the law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

**6.Nonsolicitation**. The Executive agrees that during the Executive's employment or other business relationship with the Company, whether or not under this Agreement, and for a period of two years thereafter (the "**Restricted Period**"):

(a) the Executive will not, directly or indirectly, individually or as a consultant to, or an executive, officer, director, manager, stockholder, partner, member or other owner or participant in any business entice away from the Company, reduce the amount of business conducted with the Company by or otherwise materially interfere with the business relationship of the Company with any person or entity who is, or was within the one-year period immediately prior thereto, a customer or client of, supplier, vendor or service provider to, or other party having business relations with the Company; and

(b) the Executive will not, directly or indirectly, individually or as a consultant to, or an executive, officer, director, manager, stockholder, partner, member or other owner or participant in any business entity offer employment to or otherwise interfere with the business relationship of the Company with any person or entity who is, or was within the one-year period immediately prior thereto, employed by the Company.

**7.Non-Competition**. The Executive agrees that, from the Non-Competition Covenant Effective Date through the Restricted Period, the Executive will not directly or indirectly provide services, whether as an owner, officer, director, partner, member, employee, agent, consultant, advisor or developer or in any similar capacity, to any other business entity that is engaged or seeks to become engaged in any line of business conducted by the Company or its affiliates, or which the Company or its affiliates have active plans to conduct, in each case, in any state of the United States and any country outside the United States in which the Company or any of its affiliates conducts its business (provided that the Executive shall not be prohibited from owning up to five percent (5%) of the outstanding stock of a corporation which is publicly traded, so long as the Executive has no active participation in the business of such corporation). The post- employment restrictions in this Section 7 shall not apply in the case of a termination of the Executive's employment by the Company without Cause. The Executive acknowledges and agrees that the compensation, including the Initial RSU Grant, provided to the Executive by the Company under this Agreement constitute fair and reasonable, mutually agreed upon consideration for the



restrictions contained in this Agreement, including, without limitation, in this Section 7. If the Executive has unlawfully taken, physically or electronically, property belonging to the Company, or has breached any fiduciary duties owed to the Company, the duration of the post- service restrictions in this Section 7 shall be extended to two years following the termination of the Executive's employment. The Executive acknowledges that he has been provided notice of this Section 7 at least 10 business days prior to this Section 7 becoming effective, and that he or she has the right to consult with counsel prior to signing this Agreement.

**8.Remedies**. Without limiting the remedies available to the Company, the Executive acknowledges that a breach of any of the covenants contained in Sections 5, 6 or 7 hereof could result in irreparable injury to the Company for which there might be no adequate remedy at law, and that, in the event of such a breach or threat thereof, the Company shall be entitled to obtain a temporary restraining order and/or a preliminary injunction and a permanent injunction restraining the Executive from engaging in any activities prohibited by Sections 5, 6 or 7 hereof or such other equitable relief as may be required to enforce specifically any of the covenants contained in Sections 5, 6 or 7 hereof. The foregoing provisions and the provisions of Sections 5, 6 or 7 hereof shall survive the termination of the Executive's employment with the Company, and shall continue thereafter in full force and effect in accordance with their terms.

**9.Applicability to Related Companies**. For purposes of Sections 5, 6, 7 and 8 of this Agreement, the term "Company" shall include the Company and Parent and each of their respective affiliates, whether now existing or hereinafter created, and their respective successors and assigns.

**10.Review of Agreement; Reasonable Restrictions**. The Executive (a) has carefully read and understands all of the provisions of this Agreement and has had the opportunity for this Agreement to be reviewed by counsel, (b) acknowledges that the duration, scope and subject matter of Sections 5 through 9 of this Agreement are reasonable and necessary to protect the goodwill, customer relationships, legitimate business interests and Confidential Information of the Company and its affiliates, and (c) will be able to earn a satisfactory livelihood without violating this Agreement.

**11.At-will Employment; Other Conditions**. Executive's employment and the right to compensation and benefits set forth in this Agreement are continent upon successful completion of pre-employment background checks. As part of the Company's onboarding process, Executive will need to establish identify and authorization to work as required by the Immigration Reform and Control Act of 1986 (IRCA). In addition, as a condition of employment, Executive will be required to complete the Company's standard onboarding process applicable to other similarly-situated employees, including acknowledgement of the Parent's Code of Business Conduct & Ethics. Without limiting the foregoing, Executive's employment with the Company will be for no specific period of time. Rather, Executive's employment will be at-will, meaning that Executive or the Company may terminate the employment relationship at any time, with or without cause, and with or without notice and for any reason or no particular reason. Although compensation and benefits may change from time to time, the at-will nature of Executive's employment may only be changed by an express written agreement signed by an authorized officer of the Company.

**12.Survival**. The provisions of Sections 5 through 28 of this Agreement shall survive



the termination of the Executive's employment with the Company, and shall continue thereafter in full force and effect in accordance with their terms.

**13.Section 409A**. This Agreement is intended to comply with the requirements of Section 409A and the regulations thereunder. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be interpreted in a manner so that no payment due to Executive shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code. To the extent that any provision in the Agreement is ambiguous as to its compliance with Section 409A of the Code, or to the extent any provision in the Agreement must be modified to comply with Section 409A of the Code, such provision shall be read, or shall be modified (with the mutual consent of the parties), as the case may be, in such a manner so that no payment due to Executive shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code.

For purposes of Section 409A of the Code, each payment made under this Agreement shall be treated as a separate payment. In no event may Executive, directly or indirectly, designate the calendar year of any payment. All reimbursements provided under this

Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (i) any reimbursement be for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit.

Notwithstanding anything to the contrary herein, if a payment or benefit under this Agreement is due to a "separation from service" for purposes of the rules under Treas. Reg. § 1.409A-3(i)(2) (payments to specified employees upon a separation from service) and Executive is determined to be a "specified employee" (as determined under Treas. Reg. § 1.409A-1(i)), such payment or benefit shall, to the extent necessary to comply with the requirements of Section 409A of the Code, be made or provided on the later of the date specified by the foregoing provisions of this Agreement or the date that is six months after the date of Executive's separation from service (or, if earlier, the date of Executive's death). Any installment payments that are delayed pursuant to this Section 13 shall be accumulated and paid in a lump sum on the first day of the seventh month following Executive's separation from service, and the remaining installment payments shall begin on such date in accordance with the schedule provided in this Agreement.

**14.Clawback Provisions**. Any amounts payable under this Agreement, or otherwise pursuant to Executive's employment, are subject to any policy (whether in existence as of the Start Date or later adopted) established by the Company or Parent providing for clawback or recovery of amounts that were paid to the Executive. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

**15.Limitation on Payments**. In the event that any payments provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the



meaning of Section 280G of the Code and (ii) but for this Section 15, would be subject to the excise tax imposed by Section 4999 of the Code, then such payments will be either: (a) delivered in full, or (b) delivered as to such lesser extent which would result in no portion of such severance and other benefits being subject to the excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of such payments, notwithstanding that all or some portion of such payments may be taxable under Section 4999 of the Code. If a reduction in such payments constituting “parachute payments” is necessary so that no portion of such benefits is subject to the excise tax under Section 4999 of the Code, the reduction shall occur in the following order: (1) reduction of any cash severance payments, in the order that such payments would otherwise have been paid; (2) cancellation of accelerated vesting of equity awards that vest, in whole or in part, based on the achievement of performance criteria, in the reverse order that such awards would have vested; (3) cancellation of accelerated vesting of equity awards that vest based solely on continued service, in the order of the percentage of the fair market value of such awards that constitutes a parachute payment (commencing with the largest percentage); and (4) reduction of continued employee benefits. Notwithstanding the foregoing, to the extent the Company submits any payment or benefit payable to Executive under this Agreement or otherwise to the Company’s stockholders for approval in accordance with Treasury Regulation Section 1.280G-1 Q&A 7, the foregoing provisions shall not apply following such submission and such payments and benefits will be treated in accordance with the results of such vote, except that any reduction in, or waiver of, such payments or benefits required by such vote will be applied without any application of discretion by Executive and in the order prescribed by this Section 15. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 15 will be made in writing by an independent firm (the “Firm”), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 15, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 15. The Company will bear the fees of the Firm and all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section 15.

**16.Enforceability, Etc**. This Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited or invalid under any such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating or nullifying the remainder of such provision or any other provisions of this Agreement. If any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, such provisions shall be construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by applicable law.

**17.Notices**. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day; (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one day



after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth below, or to such facsimile number or address as subsequently modified by written notice given in accordance with this Section 17.

(a) If to the Executive, to the most recent address reflected in the Company's records.

(b) If to the Company, to the Company's principal place of business.

**18.Governing Law**. This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to its choice of law provisions.

**19.Jurisdiction.** The parties hereby agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall only be brought in the State or Federal courts located in the Commonwealth of Massachusetts and not in any other State or Federal courts located in the United States of America or any court in any other country, and each of the first, second and third anniversaries parties hereby consents to the jurisdiction of such courts (and of the Appointment Effective Date, subject appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the Eligible Director's Service (as defined fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient form.

**20.Waiver of Jury Trial.** EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

**21.Amendments and Waivers**. This Agreement may be amended or modified only by a written instrument signed by the Company (at the direction of the Management Board) and the Executive. No waiver of this Agreement or any provision hereof shall be binding upon the party against whom enforcement of such waiver is sought unless it is made in writing and signed by or on behalf of such party. The waiver of a breach of any provision of this Agreement shall not be construed as a waiver or a continuing waiver of the same or any subsequent breach of any provision of this Agreement. No delay or omission in exercising any right under this Agreement shall operate as a waiver of that or any other right.

**22.Binding Effect**. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors and administrators, successors and assigns, except that the rights and obligations of the Executive hereunder are personal and may not be assigned without the Company's prior written consent. Any assignment of this Agreement by the Company shall not be considered a termination of the Executive's employment.



**23.Entire Agreement**. This Agreement constitutes the final and entire agreement of the parties with respect to the matters covered hereby and replaces and supersedes all other agreements and understandings relating hereto and to the Executive's employment.

**24.Counterparts**. This Agreement may be executed in any number of counterparts, all of which together shall for all purposes constitute one Agreement. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in "portable document format" or ".pdf" form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

**25.No Conflicting Agreements**. The Executive represents and warrants to the Company that the Executive is not a party to or bound by any confidentiality, noncompetition, nonsolicitation, employment, consulting or other agreement or restriction which could conflict with, or be violated by, the performance of the Executive's duties to the Company or obligations under this Agreement.

**26.Captions**. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

**27.No Strict Construction**. The parties hereto have participated jointly in the Plan) through each such vesting date. negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement, this Agreement shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authoring any of the provisions of this Agreement.

**28.Notification of New Employer**. In the event that the Executive is no longer an Executive of the Company, the Executive consents to notification by the Company to the

Executive's new employer or its agents regarding the Executive's obligations under Sections 5, 6 and 7 of this Agreement.

[ *The remainder of this page is intentionally left blank*.]



IN WITNESS WHEREOF, this Agreement has been executed and delivered as a sealed instrument as of the date first above written.

DEFINITIVE HEALTHCARE, LLC



By:_/s/ Robert Musslewhite________________

2. Annual RSU Grants. On the date of each annual stockholder meeting of the Company (each, an "***Annual Meeting***") held after the Effective Date ("***Annual Grant Date***"), each Eligible Director who continues to serve as a non-employee member of the Board following such Annual Meeting (including any Eligible Director who is first appointed or elected by the Board at an Annual Meeting) will automatically, and without further action by the Board or the HCMCC, be granted RSUs with respect to shares of the Company's Common Stock with an aggregate value of $175,000 (the "***Annual RSU Grant***"). The number of RSUs subject to the Annual RSU Grant will be determined by dividing the grant value by the simple average trailing 30-day closing price of the Company's Class A common stock as reported on Nasdaq, calculated using the 30 trading days up to and including the Annual Grant Date

(or, if the Annual Grant Date is not a trading day, then the next trading day following the Annual Grant Date), rounded up to the nearest whole share. The Annual RSU Grant will vest in full on the earlier to occur of the one-year anniversary of applicable Annual Grant Date or the date of the next year's Annual Meeting, subject to the Eligible Director's Service through such vesting date.Name: Robert Musslewhite
Title: Chief Executive Officer

With respect to an Eligible Director who, following the Effective Date, was first elected or appointed to the Board effective as of a date other than the date of the Annual Meeting, on the applicable Appointment Effective Date, such Eligible Director will automatically, and without further action by the Board or the HCMCC, receive a grant of RSUs with respect to shares of the Company's Common Stock, the aggregate value of which will be $175,000, prorated based on the number of calendar days remaining between the applicable Appointment Effective Date and the first anniversary of the Company's last Annual Meeting (the "***Prorated Annual RSU Grant***"). The number of RSUs subject to the Prorated Annual RSU Grant will be determined by dividing the grant value by the simple average trailing 30-day closing price of the Company's Class A common stock as reported on Nasdaq, calculated using the 30 trading days up to and including the Appointment Effective Date (or, if the Appointment Effective Date is not a trading day, then the next trading day following the Appointment Effective Date), rounded up to the nearest whole share. The Prorated Annual RSU Grant will vest in full on the earlier to occur of the one-year anniversary of the most recent Annual Grant Date occurring prior to the Appointment Effective Date or the date of the next year's Annual Meeting, subject to the Eligible Director's Service through such vesting date.

3. Accelerated Vesting. Notwithstanding the foregoing, each Initial RSU Grant, Annual RSU Grant, and Prorated Annual RSU Grant will vest in full upon a Change in Control (as defined in the Plan), subject to the Eligible Director's Service through the date of such Change in Control.

## D. Non-Employee Director Compensation Limit

Notwithstanding the foregoing, the aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director (as defined in the Plan) shall in no event exceed the limits set forth in Section 4.4 of the Plan.

2 /s/ Carrie Lazorchak

Executive: Carrie Lazorchak

[Signature Page to Employment Agreement]

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Exhibit 31.1

**Management Certification Pursuant to**

**Section 302 of the Sarbanes-Oxley Act of 2002**

I, Robert Musslewhite, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Definitive Healthcare Corp.;

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(s) 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 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.

Date: August 14, 2023 November 2, 2023

/s/ Robert Musslewhite

Robert Musslewhite

Chief Executive Officer

*(Principal Executive Officer)*



Exhibit 31.2

**Management Certification Pursuant to**

**Section 302 of the Sarbanes-Oxley Act of 2002**

I, Richard Booth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Definitive Healthcare Corp.;

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(s) 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 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.

Date: August 14, 2023 November 2, 2023

/s/Richard Booth

Richard Booth
Chief Financial Officer
*(Principal Financial Officer)*

Exhibit 32.1

**Certification of CEO and CFO Pursuant to**
**18 U.S.C. Section 1350,**
**as Adopted Pursuant to**
**Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Definitive Healthcare Corp. (the “Company”) for the quarterly period ended June 30, 2023 September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Robert Musslewhite, as Chief Executive Officer of the Company, and Richard Booth, as Chief Financial Officer of the Company, each hereby certifies, pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2023 November 2, 2023

/s/ Robert Musslewhite

Robert Musslewhite
Chief Executive Officer
*(Principal Executive Officer)*

/s/ Richard Booth

Richard Booth
Chief Financial Officer
*(Principal Financial Officer)*

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of

Definitive Healthcare Corp. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

## DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.