

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 September 30, 2022  
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 001-39310

**ZoomInfo Technologies Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)  
805 Broadway Street, Suite 900

Vancouver, Washington

(Address of principal executive offices)

87-3037521  
(I.R.S. Employer  
Identification No.)

98660

(Zip Code)

(800) 914-1220

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ZI	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   
Non-accelerated Filer

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 October 21, 2022, there were 403,657,009 shares of the registrant's common stock outstanding.

**ZoomInfo Technologies Inc.**  
**Quarterly Report on Form 10-Q**  
**For the Quarterly Period Ended September 30, 2022**

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## GLOSSARY

As used in this quarterly report on Form 10-Q (this “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 “ZoomInfo Technologies Inc.” refer to ZoomInfo Technologies Inc. and not to any of its subsidiaries unless the context indicates otherwise. References in this Form 10-Q to “ZoomInfo,” the “Company,” “we,” “us,” and “our” refer (1) prior to the consummation of the Reorganization Transactions, to ZoomInfo OpCo and its consolidated subsidiaries, and (2) after the consummation of the Reorganization Transactions, to ZoomInfo Technologies Inc. and its consolidated subsidiaries unless the context indicates otherwise.

- “2021 Form 10-K” refers to the Annual Report on Form 10-K of ZoomInfo Technologies Inc. for the fiscal year ended December 31, 2021 as filed with the SEC on February 24, 2022.
- “AOCI” refers to *Accumulated other comprehensive income (loss)* on our Condensed Consolidated Balance Sheets.
- “Blocker Companies” refers to certain of our Pre-IPO OpCo Unitholders that are taxable as corporations for U.S. federal income tax purposes.
- “Blocker Mergers” refers to the mergers described under “Reorganization Transactions” in Note 1 to our unaudited consolidated financial statements included in Part I, Item 1 of this Form 10-Q.
- “Carlyle” refers to investment funds associated with The Carlyle Group.
- “Class P Units” refers to Class P Units (including, without limitation, any indirectly held Class P Units) of ZoomInfo OpCo.
- “Common Stock Option” refers to an award granted under Section 7 of the 2020 Omnibus Incentive Plan.
- “Continuing Class P Unitholders” refers to certain Pre-IPO Owners who continued to hold Class P Units following the consummation of the Reorganization Transactions and the IPO.
- “Continuing Members” refers to Pre-IPO Owners who continued to hold HoldCo Units or OpCo Units following the Reorganization Transactions and the IPO.
- “Customers” refers to companies that have contracted with us to use our services and, at the time of measurement, maintain one or more active paid subscriptions to our platform. Paid subscriptions will generally include access for a number of employees or other affiliated persons of the customer.
- “Exchange Tax Receivable Agreement” refers to the tax receivable agreement entered into with certain Pre-IPO OpCo Unitholders.
- “Founders” refers to Henry Schuck, our Chief Executive Officer, and Kirk Brown.
- “HoldCo Units” refers to the class of units of ZoomInfo HoldCo.
- “HSKB” and “HSKB I” refers to HSKB Funds, LLC, a privately held limited liability company formed on February 9, 2016 for the purpose of issuing equity to certain persons who had performed and would continue to perform services for ZoomInfo OpCo.
- “HSKB II” refers to HSKB Funds II, LLC, a privately held limited liability company formed on May 28, 2020 for the purpose of effecting a reorganization of HSKB I at the time of the IPO and to issue equity to certain persons who had performed and would continue to perform services for ZoomInfo OpCo.
- “IPO” refers to the initial public offering of Class A common stock of ZoomInfo Technologies Inc.
- “LTIP Units” refers to a class of partnership units that are intended to qualify as “profit interests” in ZoomInfo OpCo for federal income tax purposes that, subject to certain conditions, including vesting, are convertible by the holder into OpCo Units.
- “OpCo Units” refers to the class of units of ZoomInfo OpCo and does not include Class P Units.
- “Pre-Acquisition ZI” refers to Zoom Information Inc.
- “Pre-IPO Blocker Holders” refers to the Pre-IPO Owners that held their interests in us through the Blocker Companies immediately prior to the IPO.
- “Pre-IPO HoldCo Unitholders” refers to the Pre-IPO Owners that held HoldCo Units immediately prior to the IPO.
- “Pre-IPO OpCo Unitholders” refers to the Pre-IPO Owners that held OpCo Units immediately prior to the IPO.
- “Pre-IPO Owners” refers collectively to the Sponsors, the Founders, and the management and other equity holders who were the owners of ZoomInfo OpCo immediately prior to the Reorganization Transactions.

- “Reorganization Tax Receivable Agreement” refers to the tax receivable agreement entered into with the Pre-IPO Blocker Holders.
- “Reorganization Transactions” refers to the transactions described under “Reorganization Transactions” in Note 1 to our unaudited consolidated financial statements included in Part I, Item 1 of this Form 10-Q.
- “Restricted Stock” refers to our common stock, subject to certain specified restrictions (which may include, without limitation, a requirement that the recipient remain continuously employed or provide continuous services for a specified period of time), granted under Section 8 of the 2020 Omnibus Incentive Plan.
- “Restricted Stock Unit” or “RSU” refers to an unfunded and unsecured promise to deliver shares of our common stock, cash, other securities or other property, subject to certain restrictions (which may include, without limitation, a requirement that the recipient remain continuously employed or provide continuous services for a specified period of time), granted under Section 8 of the 2020 Omnibus Incentive Plan.
- “SEC” refers to the Securities and Exchange Commission.
- “Securities Act” refers to the Securities Act of 1933, as amended.
- “Sponsors” refers collectively to TA Associates, Carlyle, and investment funds associated with 22C Capital LLC and its predecessor.
- “TA Associates” refers to investment funds associated with TA Associates.
- “Tax Receivable Agreements” or “TRA” refers collectively to the Exchange Tax Receivable Agreement and the Reorganization Tax Receivable Agreement.
- “ZoomInfo HoldCo” refers to ZoomInfo Intermediate Holdings LLC, a Delaware limited liability company, and a direct subsidiary of ZoomInfo Technologies Inc.
- “ZoomInfo OpCo” refers to ZoomInfo Holdings LLC (formerly known as DiscoverOrg Holdings, LLC), a Delaware limited liability company, and a direct subsidiary of ZoomInfo HoldCo and indirect subsidiary of ZoomInfo Technologies Inc.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

From time to time we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those expressed or implied by these statements. You can generally identify our forward-looking statements by the words “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “might,” “objective,” “outlook,” “plan,” “potential,” “predict,” “projection,” “seek,” “should,” “target,” “trend,” “will,” “would” or the negative version of these words or other comparable words.

We have based our forward-looking statements on our management’s beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

The following are some of the factors that could cause actual results to differ from those expressed or implied by our forward-looking statements, including forward-looking statements contained in this Quarterly Report on Form 10-Q:

- the ongoing COVID-19 pandemic, including the global economic uncertainty and measures taken in response, could materially impact our business and future results of operations;
- larger well-funded companies may shift their existing business models to become more competitive with us;
- we may be unable to provide or adapt our platform for changes in laws and regulations or public perception, or changes in the enforcement of such laws, relating to data privacy, which could impact our ability to efficiently gather, process, update and/or provide some or all of the information we currently provide or the ability of our customers and users to use some or all of our products and services;
- we may experience competition from companies that more effectively cater to our customers by offering more tailored products or platforms at lower costs;
- adverse general economic and market conditions may reduce spending on sales and marketing, which could harm our revenue, results of operations and cash flows;
- a decline in demand for sales and marketing subscription platforms could negatively impact our business;
- if we are unable to improve our technology and keep up with new processes for data collection, organization, and cleansing, competing products and services could surpass ours;
- we may be unable to provide a highly accurate, reliable, and comprehensive platform moving forward, which could cause a reduction in demand for our products and services;
- we rely on third-party systems that we do not control to integrate with our system and we may be unable to continue to support integration;
- we may be unable to attract new customers and expand existing subscriptions, which could harm our revenue growth and profitability;
- a decrease in participation in our contributory network or increased opt-out rates could lead to a deterioration in the depth, breadth, and accuracy of our platform;
- changes in search engine algorithms and dynamics could negatively affect traffic to our website;
- we may fail to protect and maintain our intellectual property;

- cyber attacks and security vulnerabilities could result in serious harm to our reputation, business, and financial condition;
- third-parties could use our products and services in a manner that is unlawful or contrary to our values;
- we may be unable to successfully integrate acquired businesses, services, databases, and technologies into our operations, which could have an adverse effect on our business;
- we may be unsuccessful in selling our products or retaining our customers if the quality of our customer service falters;
- our indebtedness could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry, and our ability to meet our obligations under our outstanding indebtedness, and could divert our cash flow from operations for debt payments;
- the parties to our stockholders agreement have special rights and interests that may conflict with ours or yours in the future; and
- other factors described under “Risk Factors” in Part I, Item 1A of our 2021 Form 10-K, and in other reports we file from time to time with the SEC.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Form 10-Q and our other filings with the SEC. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those projected in our forward-looking statements. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments, or other strategic transactions we may make.

You should not place undue reliance on our forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as required by law.

#### **Website Disclosure**

The Company intends to use its website as a distribution channel of material company information. Financial and other important information regarding the Company is routinely posted on and accessible through the Company’s website at <https://ir.zoominfo.com>. In addition, you may automatically receive email alerts and other information about the Company when you enroll your email address by visiting the “Email Alerts” section of our investor relations page at <https://ir.zoominfo.com>. The information on our website is not incorporated herein or otherwise a part of this Form 10-Q.

**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

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**Unaudited Consolidated Financial Statements of ZoomInfo Technologies Inc. and Subsidiaries**

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**ZoomInfo Technologies Inc.**  
**Condensed Consolidated Balance Sheets**

(in millions, except share data)

	September 30, 2022 (unaudited)	December 31, 2021 (*)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 406.3	\$ 308.3
Short-term investments	32.4	18.4
Accounts receivable, net	164.9	187.0
Prepaid expenses and other current assets	53.5	27.1
Income tax receivable	6.1	4.9
Total current assets	663.2	545.7
Restricted cash, non-current	6.1	5.8
Property and equipment, net	50.2	41.7
Operating lease right-of-use assets, net	65.4	59.8
Intangible assets, net	413.5	431.0
Goodwill	1,696.3	1,575.1
Deferred tax assets	4,050.5	4,116.0
Deferred costs and other assets, net of current portion	114.0	77.8
Total assets	\$ 7,059.2	\$ 6,852.9
<b>Liabilities and Permanent Equity</b>		
Current liabilities:		
Accounts payable	\$ 22.0	\$ 15.9
Accrued expenses and other current liabilities	89.5	103.3
Unearned revenue, current portion	379.7	361.5
Income taxes payable	9.1	8.4
Current portion of tax receivable agreements liability	7.2	10.4
Current portion of operating lease liabilities	10.5	8.1
Total current liabilities	518.0	507.6
Unearned revenue, net of current portion	1.5	2.7
Tax receivable agreements liability, net of current portion	3,034.8	3,046.0
Operating lease liabilities, net of current portion	69.6	61.5
Long-term debt, net of current portion	1,235.0	1,232.9
Deferred tax liabilities	1.7	1.5
Other long-term liabilities	2.3	2.8
Total liabilities	4,862.9	4,855.0
Commitments and Contingencies (Note 11)		
Permanent Equity:		
Class A common stock, par value \$0.01	4.0	4.0
Additional paid-in capital	1,997.7	1,871.6
Accumulated other comprehensive income (loss)	41.8	9.5
Retained Earnings	152.8	112.8
Total equity	2,196.3	1,997.9
Total liabilities and permanent equity	\$ 7,059.2	\$ 6,852.9

(\*) The Condensed Consolidated Balance Sheet as of December 31, 2021 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.



**ZoomInfo Technologies Inc.**  
**Consolidated Statements of Operations**

(in millions, except per share amounts; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 287.6	\$ 197.6	\$ 796.4	\$ 524.9
Cost of service:				
Cost of service <sup>(1)</sup>	35.9	27.2	103.4	72.1
Amortization of acquired technology	12.3	10.7	35.8	24.2
Gross profit	239.4	159.7	657.2	428.6
Operating expenses:				
Sales and marketing <sup>(1)</sup>	96.4	65.3	275.7	164.0
Research and development <sup>(1)</sup>	54.2	34.4	149.3	78.8
General and administrative <sup>(1)</sup>	31.2	23.4	88.2	64.1
Amortization of other acquired intangibles	5.6	5.4	16.5	15.0
Restructuring and transaction-related expenses	0.2	11.0	3.8	17.6
Total operating expenses	187.6	139.5	533.5	339.5
Income (loss) from operations	51.8	20.2	123.7	89.1
Interest expense, net	11.6	13.9	35.1	30.5
Loss on debt modification and extinguishment	—	1.8	—	7.7
Other (income) expense, net	(9.8)	(0.1)	(7.0)	(0.2)
Income (loss) before income taxes	50.0	4.6	95.6	51.1
Income tax expense (benefit)	32.1	45.5	55.6	101.4
<b>Net income (loss)</b>	<b>\$ 17.9</b>	<b>\$ (40.9)</b>	<b>\$ 40.0</b>	<b>\$ (50.3)</b>
Less: Net income (loss) attributable to noncontrolling interests	—	(0.3)	—	(22.2)
<b>Net income (loss) attributable to ZoomInfo Technologies Inc.</b>	<b>\$ 17.9</b>	<b>\$ (40.6)</b>	<b>\$ 40.0</b>	<b>\$ (28.1)</b>
Net income (loss) per share of Class A and Class C common stock:				
Basic	\$ 0.04	\$ (0.15)	\$ 0.10	\$ (0.13)
Diluted	\$ 0.04	\$ (0.15)	\$ 0.10	\$ (0.13)

(1) Amounts include equity-based compensation expense, as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of service	\$ 5.1	\$ 2.8	\$ 14.7	\$ 9.5
Sales and marketing	19.2	9.5	55.7	25.1
Research and development	17.0	7.4	47.9	13.2
General and administrative	6.8	4.8	19.3	11.9
Total equity-based compensation expense	<b>\$ 48.1</b>	<b>\$ 24.5</b>	<b>\$ 137.6</b>	<b>\$ 59.7</b>

**ZoomInfo Technologies Inc.**  
**Consolidated Statements of Comprehensive Income (Loss)**  
*(in millions; unaudited)*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	\$ 17.9	\$ (40.9)	\$ 40.0	\$ (50.3)
<b>Other comprehensive income (loss), net of tax</b>				
Unrealized gain (loss) on cash flow hedges	17.0	1.5	44.7	8.6
Realized (gain) loss on settlement of cash flow hedges	(2.3)	1.5	(0.9)	4.5
Amortization of deferred losses related to the dedesignated Interest Rate Swap	0.1	0.1	0.2	0.2
Other comprehensive income (loss) before tax	14.8	3.1	44.0	13.3
Tax effect	(3.9)	(0.8)	(11.7)	(2.1)
Other comprehensive income (loss), net of tax	10.9	2.3	32.3	11.2
Comprehensive income (loss)	28.8	(38.6)	72.3	(39.1)
Less: Comprehensive income (loss) attributable to noncontrolling interests	—	(0.4)	—	(16.9)
<b>Comprehensive income (loss) attributable to ZoomInfo Technologies Inc.</b>	<b>\$ 28.8</b>	<b>\$ (38.2)</b>	<b>\$ 72.3</b>	<b>\$ (22.2)</b>

**ZoomInfo Technologies Inc.**  
**Consolidated Statements of Changes in Equity (Deficit)**  
*(in millions, except share data)*

	<b>New ZoomInfo Common Stock</b>					
	<b>Shares</b>	<b>Amount</b>	<b>Additional paid- in capital</b>	<b>Retained Earnings</b>	<b>AOCI</b>	<b>Total Equity</b>
<b>Balance, December 31, 2021</b>	403,315,989	\$ 4.0	\$ 1,871.6	\$ 112.8	\$ 9.5	\$ 1,997.9
Issuance of Class A common stock upon vesting of RSUs	187,659	—	—	—	—	—
Shares withheld related to net share settlement and other	(80,067)	—	(4.4)	—	—	(4.4)
Exercise of stock options	14,790	—	0.3	—	—	0.3
Forfeitures / cancellations	(43,210)	—	—	—	—	—
Net income (loss)	—	—	—	6.2	—	6.2
Other comprehensive income	—	—	—	—	16.9	16.9
Equity-based compensation	—	—	42.5	—	—	42.5
<b>Balance at March 31, 2022</b>	403,395,161	\$ 4.0	\$ 1,910.0	\$ 119.0	\$ 26.4	\$ 2,059.4
Issuance of Class A common stock upon vesting of RSUs	233,923	—	—	—	—	—
Shares withheld related to net share settlement and other	(75,351)	—	(3.2)	—	—	(3.2)
Exercise of stock options	13,714	—	0.3	—	—	0.3
Forfeitures / cancellations	(111,789)	—	—	—	—	—
Net income (loss)	—	—	—	15.9	—	15.9
Other comprehensive income	—	—	—	—	4.5	4.5
Equity-based compensation	—	—	47.0	—	—	47.0
<b>Balance at June 30, 2022</b>	403,455,658	\$ 4.0	\$ 1,954.1	\$ 134.9	\$ 30.9	\$ 2,123.9

**ZoomInfo Technologies Inc.**  
**Consolidated Statements of Changes in Equity (Deficit)**  
*(in millions, except share data) (continued)*

	<b>New ZoomInfo Common Stock</b>		<b>Additional paid- in capital</b>	<b>Retained Earnings</b>	<b>AOCI</b>	<b>Total Equity</b>
	<b>Shares</b>	<b>Amount</b>				
<b>Balance at June 30, 2022</b>	403,455,658	\$ 4.0	\$ 1,954.1	\$ 134.9	\$ 30.9	\$ 2,123.9
Issuance of Class A common stock upon vesting of RSUs	399,979	—	—	—	—	—
Shares withheld related to net share settlement and other	(114,629)	—	(5.1)	—	—	(5.1)
Exercise of stock options	27,715	—	0.6	—	—	0.6
Forfeitures / cancellations	(111,395)	—	—	—	—	—
Net income (loss)	—	—	—	17.9	—	17.9
Other comprehensive income	—	—	—	—	10.9	10.9
Equity-based compensation	—	—	48.1	—	—	48.1
<b>Balance at September 30, 2022</b>	<b>403,657,328</b>	<b>\$ 4.0</b>	<b>\$ 1,997.7</b>	<b>\$ 152.8</b>	<b>\$ 41.8</b>	<b>\$ 2,196.3</b>

**ZoomInfo Technologies Inc.**  
Consolidated Statements of Changes in Equity (Deficit)  
*(in millions, except share data)*

	Old ZoomInfo						New ZoomInfo Common Stock		Additional paid-in capital	Retained Earnings	AOCI	Noncontrolling interests	Total Equity
	Class A Shares	Class A Amount	Class B Shares	Class B Amount	Class C Shares	Class C Amount	Shares	Amount					
<b>Balance, December 31, 2020</b>	87,697,381	\$ 0.9	216,652,704	\$ 2.2	86,123,230	\$ 0.9	—	\$ —	\$ 505.2	\$ (4.0)	\$ (2.4)	\$ 436.8	\$ 939.6
Effect of LLC Unit Exchanges	14,500,582	0.1	(9,776,683)	(0.1)	(3,869,894)	(0.1)	—	—	37.2	—	—	(20.1)	17.0
Issuance of Class A common stock upon vesting of RSUs	20,439	—	—	—	—	—	—	—	—	—	—	—	—
Shares withheld related to net share settlement and other	(30,936)	—	—	—	—	—	—	—	(1.6)	—	—	—	(1.6)
Exercise of stock options	24,758	—	—	—	—	—	—	—	0.5	—	—	—	0.5
Forfeitures / cancellations	—	—	(7,852)	—	—	—	—	—	—	—	—	—	—
Net income (loss)	—	—	—	—	—	—	—	—	—	3.2	—	(37.1)	(33.9)
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	4.0	6.2	10.2
Paid and accrued tax distributions	—	—	—	—	—	—	—	—	—	—	—	(3.0)	(3.0)
Equity-based compensation	—	—	—	—	—	—	—	—	8.3	—	—	9.8	18.1
<b>Balance at March 31, 2021</b>	102,212,224	\$ 1.0	206,868,169	\$ 2.1	82,253,336	\$ 0.8	—	\$ —	\$ 549.6	\$ (0.8)	\$ 1.6	\$ 392.6	\$ 946.9
Effect of LLC Unit Exchanges	19,514,930	0.2	(15,259,859)	(0.2)	(4,040,025)	—	—	—	45.1	—	0.1	(31.1)	14.1
Issuance of Class A common stock upon vesting of RSUs	123,729	—	—	—	—	—	—	—	—	—	—	—	—
Shares withheld related to net share settlement and other	(14,333)	—	—	—	—	—	—	—	(0.6)	—	—	—	(0.6)
Exercise of stock options	11,056	—	—	—	—	—	—	—	0.2	—	—	—	0.2
Forfeitures / cancellations	—	—	(32,424)	—	—	—	—	—	—	—	—	—	—
Net income (loss)	—	—	—	—	—	—	—	—	—	9.3	—	15.2	24.5
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	(0.5)	(0.8)	(1.3)
Paid and accrued tax distributions	—	—	—	—	—	—	—	—	—	—	—	(9.2)	(9.2)
Equity-based compensation	—	—	—	—	—	—	—	—	8.4	—	—	8.7	17.1
<b>Balance at June 30, 2021</b>	121,847,606	\$ 1.2	191,575,886	\$ 1.9	78,213,311	\$ 0.8	—	\$ —	\$ 602.7	\$ 8.5	\$ 1.2	\$ 375.4	\$ 991.7

**ZoomInfo Technologies Inc.**  
Consolidated Statements of Changes in Equity (Deficit)  
(in millions, except share data) (continued)

	Old ZoomInfo						New ZoomInfo Common Stock		Additional paid-in capital	Retained Earnings	AOCI	Noncontrolling interests	Total Equity
	Class A Shares	Class A Amount	Class B Shares	Class B Amount	Class C Shares	Class C Amount	Shares	Amount					
<b>Balance at June 30, 2021</b>	121,847,606	\$ 1.2	191,575,886	\$ 1.9	78,213,311	\$ 0.8	—	\$ —	\$ 602.7	\$ 8.5	\$ 1.2	\$ 375.4	\$ 991.7
Effect of LLC Unit Exchanges	252,796,919	2.5	(168,693,583)	(1.7)	(78,213,311)	(0.8)	—	—	1,222.5	—	0.7	(362.7)	860.5
Effect of reorganization transaction	—	—	—	—	—	—	—	—	(27.8)	—	—	27.8	—
Issuance of Class A common stock upon vesting of RSUs	147,368	—	—	—	—	—	—	—	—	—	—	—	—
Shares withheld related to net share settlement and other	(68,803)	—	—	—	—	—	—	—	(4.3)	—	—	—	(4.3)
Exercise of stock options	28,705	—	—	—	—	—	—	—	0.6	—	—	—	0.6
Forfeitures / cancellations	—	—	(3,281)	—	—	—	—	—	—	—	—	—	—
Registered offering costs	—	—	—	—	—	—	—	—	(1.6)	—	—	—	(1.6)
Net income (loss)	—	—	—	—	—	—	—	—	—	(40.6)	—	(0.3)	(40.9)
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	2.4	(0.1)	2.3
Paid and accrued tax distributions	—	—	—	—	—	—	—	—	—	—	—	1.9	1.9
Equity-based compensation	—	—	—	—	—	—	—	—	16.8	—	—	7.7	24.5
<b>Balance at September 30, 2021</b>	<u>374,751,795</u>	<u>\$ 3.7</u>	<u>22,879,022</u>	<u>\$ 0.2</u>	<u>—</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 1,808.9</u>	<u>\$ (32.1)</u>	<u>\$ 4.3</u>	<u>\$ 49.7</u>	<u>\$ 1,834.7</u>

**ZoomInfo Technologies Inc.**  
**Consolidated Statements of Cash Flows**  
*(in millions; unaudited)*

	Nine Months Ended September 30,	
	2022	2021
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 40.0	\$ (50.3)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	65.2	49.6
Amortization of debt discounts and issuance costs	2.2	1.8
Amortization of deferred commissions costs	47.4	29.3
Asset impairments	—	2.7
Loss on debt modification and extinguishment	—	7.7
Deferred consideration valuation adjustments	—	0.2
Equity-based compensation expense	137.6	59.7
Deferred income taxes	47.5	84.5
Tax receivable agreement remeasurement	(9.5)	(0.3)
Provision for bad debt expense	1.8	3.1
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	22.6	7.2
Prepaid expenses and other current assets	(6.3)	(5.7)
Deferred costs and other assets, net of current portion	(55.5)	(33.5)
Income tax receivable	(1.2)	(1.6)
Accounts payable	6.1	11.8
Accrued expenses and other liabilities	(11.2)	6.9
Unearned revenue	10.2	55.0
Net cash provided by (used in) operating activities	<u>296.9</u>	<u>228.1</u>
<b>Cash flows from investing activities:</b>		
Purchases of short-term investments	(40.7)	(119.8)
Maturities of short-term investments	26.6	52.0
Proceeds from sales of short-term investments	—	61.7
Purchases of property and equipment and other assets	(22.5)	(15.8)
Cash paid for acquisitions, net of cash acquired	(143.7)	(717.5)
Net cash provided by (used in) investing activities	<u>(180.3)</u>	<u>(739.4)</u>
<b>Cash flows from financing activities:</b>		
Payments of deferred consideration	(1.1)	(9.4)
Proceeds from debt	—	1,071.8
Repayment of debt	—	(581.4)
Payments of debt issuance and modification costs	(0.4)	(11.4)
Proceeds from exercise of stock options	1.2	1.4
Taxes paid related to net share settlement of equity awards	(12.7)	(7.2)
Payments of equity issuance costs	(0.3)	(1.0)
Tax receivable agreement payments	(5.0)	—
Tax distributions	—	(19.9)
Net cash provided by (used in) financing activities	<u>(18.3)</u>	<u>442.9</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	98.3	(68.4)
Cash, cash equivalents, and restricted cash at beginning of period	314.1	271.0
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 412.4</u>	<u>\$ 202.6</u>
Cash, cash equivalents, and restricted cash at end of period:		
Cash and cash equivalents	406.3	196.8
Restricted cash, non-current	6.1	5.8
Total cash, cash equivalents, and restricted cash	<u>\$ 412.4</u>	<u>\$ 202.6</u>

**ZoomInfo Technologies Inc.**  
**Consolidated Statements of Cash Flows**  
*(in millions; unaudited) (continued)*

	Nine Months Ended September 30,	
	2022	2021
<b>Supplemental disclosures of cash flow information</b>		
Interest paid in cash	\$ 44.0	\$ 26.3
Cash paid for taxes	\$ 8.7	\$ 15.6
<b>Supplemental disclosures of non-cash investing and financing activities:</b>		
Deferred variable consideration from acquisition of a business	\$ 1.1	\$ —
Property and equipment included in accounts payable and accrued expenses and other current liabilities	\$ 0.8	\$ 3.0
Estimated business combination consideration receivable (see Note 4)	\$ —	\$ 33.9



**ZoomInfo Technologies Inc.**  
**Notes to Unaudited Consolidated Financial Statements (Unaudited)**  
**(In millions, except share/unit data and per share/unit amounts, unless otherwise noted)**

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## **Note 1 - Organization and Background**

### ***Business***

ZoomInfo Technologies Inc., through its operating subsidiaries provides a go-to-market intelligence and engagement platform for sales and marketing teams. The Company's cloud-based platform provides workflow tools with integrated, accurate, and comprehensive information on organizations and professionals to help users identify target customers and decision makers, obtain continually updated predictive lead and company scoring, monitor buying signals and other attributes of target companies, craft messages, engage via automated sales tools, and track progress through the deal cycle. Unless otherwise indicated or the context otherwise requires, references to "we," "us," "our," "ZoomInfo," and the "Company" refer (1) prior to the consummation of the Reorganization Transactions, to ZoomInfo OpCo and its consolidated subsidiaries, (2) after the consummation of the Reorganization Transactions and prior to the consummation of the Holding Company Reorganization, to ZoomInfo Intermediate Inc. (formerly known as ZoomInfo Technologies Inc.) and its consolidated subsidiaries and (3) after the consummation of the Holding Company Reorganization, to ZoomInfo Technologies Inc. (formerly known as ZoomInfo NewCo Inc.) and its consolidated subsidiaries.

### ***Organization***

ZoomInfo Technologies Inc. was formed on November 14, 2019 with no operating assets or operations as a Delaware corporation for the purposes of facilitating an initial public offering ("IPO") and other related transactions in order to carry on the business of ZoomInfo Holdings LLC ("ZoomInfo OpCo") (formerly known as DiscoverOrg Holdings, LLC), a Delaware limited liability company. Following consummation of the Reorganization Transactions (as described below), ZoomInfo OpCo became a direct subsidiary of ZoomInfo Intermediate Holdings LLC ("ZoomInfo HoldCo"), a Delaware limited liability company and an indirect subsidiary of ZoomInfo Technologies Inc. Following the consummation of the Holding Company Reorganization, ZoomInfo OpCo became a direct subsidiary of ZoomInfo Technologies Inc. and ZoomInfo Intermediate Inc.

The Company headquarters are located in Vancouver, WA, and we have additional offices throughout the United States, and in Israel, Canada, the United Kingdom, and India.

### ***Initial Public Offering***

On June 8, 2020, ZoomInfo Technologies Inc. completed the IPO, in which it sold 51,175,000 shares of Class A common stock (including shares issued pursuant to the exercise in full of the underwriters' option to purchase additional shares) at a public offering price of \$21.00 per share for net proceeds of \$1,019.6 million, after deducting underwriters' discounts (but excluding other offering expenses and reimbursements). ZoomInfo Technologies Inc. used all of the proceeds from the IPO to (i) purchase 48,528,783 newly issued HoldCo Units from ZoomInfo HoldCo for approximately \$966.9 million (which ZoomInfo HoldCo in turn used to purchase the same number of newly issued OpCo Units from ZoomInfo OpCo); (ii) purchase 2,370,948 OpCo Units from certain Pre-IPO OpCo Unitholders for approximately \$47.2 million; and (iii) fund \$5.5 million of merger consideration payable to certain Pre-IPO Blocker Holders in connection with the Blocker Mergers.

**Note 1 - Organization and Background (continued)*****Reorganization Transactions***

In connection with the IPO, the Company completed the following transactions (“Reorganization Transactions”):

- ZoomInfo OpCo effected a four—for—one reverse unit split;
- ZoomInfo Technologies Inc. formed a new merger subsidiary with respect to each of the Blocker Companies through which certain of our Pre-IPO Blocker Holders held their interests in ZoomInfo OpCo, each merger subsidiary merged with and into the respective Blocker Companies in reverse-sub subsidiary mergers, and the surviving entities merged with and into ZoomInfo Technologies Inc. (such mergers, the “Blocker Mergers”), which Blocker Mergers resulted in the Pre-IPO Blocker Holders receiving a combination of (i) shares of Class C common stock of ZoomInfo Technologies Inc. and (ii) a cash amount in respect of reductions in such Pre-IPO Blocker Holders’ equity interests, based on the initial offering price of our Class A common stock in the IPO;
- certain Pre-IPO Owners acquired interests in ZoomInfo HoldCo as a result of the merger of an entity that held OpCo Units on behalf of such Pre-IPO Owners into ZoomInfo HoldCo (the “ZoomInfo HoldCo Contributions”) and the redemption of some OpCo Units pursuant to which the holders of such OpCo Units received HoldCo Units; and
- the limited liability company agreement of each of ZoomInfo OpCo and ZoomInfo HoldCo was amended and restated to, among other things, modify their capital structure by reclassifying the interests held by the Pre-IPO OpCo Unitholders, the Continuing Class P Unitholders, and the Pre-IPO HoldCo Unitholders, resulting in OpCo Units of ZoomInfo OpCo, Class P Units of ZoomInfo OpCo, and HoldCo Units of ZoomInfo HoldCo, respectively (such reclassification, the “Reclassification”).

We refer to the Reclassification, together with the Blocker Mergers and the ZoomInfo HoldCo Contributions, as the “Reorganization Transactions.” Following the Reorganization Transactions, ZoomInfo Technologies Inc. became a holding company, with its sole material asset being a controlling equity interest in ZoomInfo HoldCo, which became a holding company with its sole material asset being a controlling equity interest in ZoomInfo OpCo. ZoomInfo Technologies Inc. will operate and control all of the business and affairs, and consolidate the financial results, of ZoomInfo OpCo through ZoomInfo HoldCo and, through ZoomInfo OpCo and its subsidiaries, conduct our business. Accordingly, ZoomInfo Technologies Inc. consolidates the financial results of ZoomInfo HoldCo, and therefore ZoomInfo OpCo, and reports the non-controlling interests of the Pre-IPO HoldCo Units and Pre-IPO OpCo Units on its consolidated financial statements.

In connection with the Reorganization Transactions and the IPO, ZoomInfo Technologies Inc. entered into two tax receivable agreements. Refer to Note 16 - Tax Receivable Agreements for additional information.

***Corporate Structure Simplification Transactions***

In August 2021, the Company completed a series of reorganization transactions to simplify its corporate structure, including the distribution of shares of common stock of RKSI Acquisition Corp (“RKSI”) from ZoomInfo Holdings LLC to ZoomInfo HoldCo, the merger of RKSI with and into ZoomInfo HoldCo with ZoomInfo HoldCo surviving, and the merger of ZoomInfo HoldCo with and into the Company with the Company surviving. Prior to the consummation of the HoldCo Merger, all holders of HoldCo Units (other than the Company) exchanged their HoldCo Units and paired shares of Class B common stock of the Company for shares of Class A common stock of the Company pursuant to the terms of the limited liability company agreement of HoldCo.

## **Note 1 - Organization and Background (continued)**

### ***UP-C Corporate Structure and Multi-Class Voting Structure Elimination***

In September 2021, the Board of Directors unanimously approved streamlining the Company's corporate structure and governance by eliminating the Company's umbrella partnership-C-corporation ("UP-C") and multi-class voting structure. In October 2021, the Company implemented this reorganization, pursuant to which (i) a subsidiary of ZoomInfo Technologies Inc. (formerly known as ZoomInfo NewCo Inc.) ("New ZoomInfo") merged with and into ZoomInfo Intermediate Inc. ("Old ZoomInfo"), formerly known as ZoomInfo Technologies Inc., which resulted in New ZoomInfo becoming the direct parent company of Old ZoomInfo, and (ii) immediately thereafter, another subsidiary of New ZoomInfo merged with and into ZoomInfo Holdings LLC ("ZoomInfo OpCo"), which resulted in ZoomInfo OpCo becoming a subsidiary of New ZoomInfo (the combined transaction described in (i) and (ii), the "Holding Company Reorganization"). As a result of the Holding Company Reorganization, New ZoomInfo became the successor issuer and reporting company to Old ZoomInfo pursuant to Rule 12g-3(a) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and replaced the Predecessor Registrant as the public company trading on the Nasdaq Global Select Market (the "Nasdaq") under the ticker symbol "ZI."

After the consummation of the Holding Company Reorganization, the only class of common stock of the New ZoomInfo remaining issued and outstanding was the Class A common stock and all shares of Class B common stock were cancelled, and all shares of Class C common stock were converted to Class A common stock. In May 2022, following approval by the Company's stockholders, the Company further amended and restated its Amended and Restated Certification of Incorporation to eliminate the multiple classes of common stock and to rename the Company's Class A common stock as "Common Stock."

## **Note 2 - Basis of Presentation and Summary of Significant Accounting Policies**

### ***Basis of Presentation***

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") pertaining to interim financial information. Certain information in footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") has been condensed or omitted pursuant to those rules and regulations. The financial statements included in this report should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021.

The results of operations for the three and nine months ended September 30, 2022 are not necessarily indicative of the operating results that may be expected for the full fiscal year ending December 31, 2022 or any future period.

The accompanying unaudited consolidated financial statements contain all adjustments necessary for a fair statement of financial position as of September 30, 2022, and results of operations for the three and nine months ended September 30, 2022 and 2021, and cash flows for the nine months ended September 30, 2022 and 2021. The Condensed Consolidated Balance Sheet as of December 31, 2021 was derived from the audited consolidated balance sheet of the Company but does not contain all of the footnote disclosures from those annual financial statements. Accordingly, certain footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted.

Effective May 23, 2022, the Company's Class A common stock was renamed as "Common Stock." All references within this document to Class A common stock for periods subsequent to May 23, 2022, and, where the context requires, references within this document to Class A common stock for periods prior to May 23, 2022, have been updated for the renaming.

## **Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (continued)**

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires us to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. We base these estimates on historical and anticipated results, trends, and other assumptions with respect to future events that we believe are reasonable and evaluate our estimates on an ongoing basis. Given that estimates and judgments are required, actual results may differ from our estimates and such differences could be material to our consolidated financial position and results of operations.

### ***Principles of Consolidation***

The consolidated financial statements include the accounts of ZoomInfo Technologies Inc. and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

### ***Revenue Recognition***

The Company derives revenue primarily from subscription services. Our subscription services consist of our SaaS applications and related access to our databases. Subscription contracts are generally based on the number of users that access our applications, the level of functionality that they can access, and the amount of data that a customer integrates with their systems. Our subscription contracts typically have a term of one to three years and are non-cancelable. We typically bill for services annually, semi-annually, or quarterly in advance of delivery.

The Company accounts for revenue contracts with customers through the following steps:

- (1) identify the contract with a customer;
- (2) identify the performance obligations in the contract;
- (3) determine the transaction price;
- (4) allocate the transaction price; and
- (5) recognize revenue when or as the Company satisfies a performance obligation.

We recognize revenue for subscription contracts on a ratable basis over the contract term based on the number of calendar days in each period, beginning on the date that our service is made available to the customer. Unearned revenue results from revenue amounts billed to customers in advance or cash received from customers in advance of the satisfaction of performance obligations. Determining the transaction price often involves judgment and making estimates that can have a significant impact on the timing and amount of revenue reported. At times, the Company may adjust billing under a contract based on the addition of services or other circumstances, which are accounted for as variable consideration. The Company estimates these amounts based on historical experience and adjusts revenue recognized.

**Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (continued)*****Cash, Cash Equivalents, and Short-term Investments***

Cash equivalents consist of highly liquid marketable debt securities with remaining maturities of three months or less at the date of purchase. We classify our investments in marketable securities as “available-for-sale.” We carry these investments at fair value, based on quoted market prices or other readily available market information. Unrealized gains and losses, net of taxes, are included in accumulated other comprehensive income, which is reflected as a separate component of stockholders’ equity on our Condensed Consolidated Balance Sheets. Gains and losses are determined using the specific identification method and recognized when realized on our Consolidated Statements of Operations. If we were to determine that an other-than-temporary decline in fair value has occurred, the amount of the decline related to a credit loss will be recognized in income.

***Fair Value Measurements***

The Company measures assets and liabilities at fair value based on an expected exit price, which represents the amount that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level. The following are the hierarchical levels of inputs to measure fair value:

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 inputs or methodology used for valuing financial assets and liabilities are not necessarily an indication of the risk associated with investing in them.

***Concentrations of Credit Risk and Significant Customers***

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and cash equivalents, short-term investments, and accounts receivable. The Company holds cash at major financial institutions that often exceed Federal Deposit Insurance Corporation (“FDIC”) insured limits. The Company manages its credit risk associated with cash concentrations by concentrating its cash deposits in high-quality financial institutions and by periodically evaluating the credit quality of the primary financial institutions holding such deposits. The carrying value of cash approximates fair value. Our investment portfolio is comprised of highly rated securities with a weighted-average maturity of less than 12 months in accordance with our investment policy which seeks to preserve principal and maintain a high degree of liquidity. Historically, the Company has not experienced any losses due to such cash concentrations. The Company does not have any off-balance-sheet credit exposure related to its customers. Concentrations of credit risk with respect to accounts receivable and revenue are limited due to a large, diverse customer base. We do not require collateral from clients. We maintain an allowance for credit losses based upon the expected collectability of accounts receivable. The Company performs ongoing credit evaluations of its customers and maintains allowances for possible losses, which, when realized, have been within the range of management’s expectations. No single customer accounted for 10% or more of our revenue for the three and nine months ended September 30, 2022 and 2021, or accounted for more than 10% of accounts receivable as of September 30, 2022 and December 31, 2021. Long-lived assets located outside of the United States were immaterial as of September 30, 2022 and December 31, 2021.

**Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (continued)*****Accounts Receivable and Contract Assets***

Accounts receivable is comprised of invoices of revenue, net of allowance for credit losses, and does not bear interest. We consider receivables past due based on the contractual payment terms. Management's evaluation of the adequacy of the allowance for credit losses considers historical collection experience, changes in customer payment profiles, the aging of receivable balances, as well as current economic conditions, all of which may impact a customer's ability to pay. Account balances are written-off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have significant bad debt experience with customers, and therefore, the allowance for credit losses is immaterial as of September 30, 2022 and December 31, 2021.

The assessment of variable consideration to be constrained is based on estimates, and actual consideration may vary from current estimates. As adjustments to these estimates become necessary, they are reported in earnings in the periods in which they become known. Changes in variable consideration are recorded as a component of net revenue.

Contract assets represent a contractual right to consideration in the future. Contract assets are generated when contractual billing schedules differ from revenue recognition timing.

***Property and Equipment, Net***

Property and equipment is stated at cost, net of accumulated depreciation and amortization. All repairs and maintenance costs are expensed as incurred. Depreciation and amortization costs are expensed on a straight-line basis over the lesser of the estimated useful life of the asset or the remainder of the lease term for leasehold improvements. Qualifying internal use software costs incurred during the application development stage, which consist primarily of internal product development costs, outside services, and purchased software license costs, are capitalized and amortized over the estimated useful life of the asset. Estimated useful lives range from three years to ten years.

***Deferred Commissions***

Certain sales commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. These sales commissions for initial contracts are capitalized and included in *Deferred costs and other assets, net of current portion* on our Condensed Consolidated Balance Sheets. Deferred sales commissions are amortized on a straight-line basis over the estimated period of benefit from the customer relationship which we have determined to be one and three years for renewals and new clients, respectively. We determined the period of benefit by taking into consideration our customer contracts, our technology, and other factors. Amortization expense is included in *Sales and marketing* expense on our Consolidated Statements of Operations.

Commissions payable at September 30, 2022 were \$28.9 million, of which the current portion of \$26.7 million was included in *Accrued expenses and other current liabilities* on our Condensed Consolidated Balance Sheets, and the long-term portion of \$2.2 million was included in *Other long-term liabilities* on our Condensed Consolidated Balance Sheets. Commissions payable at December 31, 2021 were \$34.1 million, of which the current portion of \$31.4 million was included in *Accrued expenses and other current liabilities* on our Condensed Consolidated Balance Sheets, and the long-term portion of \$2.7 million was included in *Other long-term liabilities* on our Condensed Consolidated Balance Sheets.

Certain commissions are not capitalized as they do not represent incremental costs of obtaining a contract. Such commissions are expensed as incurred.

**Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (continued)*****Advertising and Promotional Expenses***

The Company expenses advertising costs as incurred. Advertising expenses of \$6.6 million and \$21.7 million were recorded for the three and nine months ended September 30, 2022. Advertising expenses of \$7.1 million and \$15.7 million were recorded for the three and nine months ended September 30, 2021. Advertising expenses are included in *Sales and marketing* on our Consolidated Statements of Operations.

***Research and Development***

Research and development expenses consist primarily of compensation expense for our employees, including employee benefits, certain IT program expenses, facilities and related overhead costs. We continue to focus our research and development efforts on developing new products, adding new features and services, integrating acquired technologies, and increasing functionality. Expenditures for software developed or obtained for internal use are capitalized and amortized over a four-year period on a straight-line basis.

***Restructuring and Transaction-Related Expenses***

The Company defines restructuring and transaction-related expenses as costs directly associated with restructuring, acquisition, or disposal activities. Such costs include employee severance and termination benefits, contract termination fees and penalties, and other exit or disposal costs. In general, the Company records involuntary employee-related exit and disposal costs when there is a substantive plan for employee severance and related costs that are probable and estimable. For one-time termination benefits for key members of management (i.e., no substantive plan) expense is recorded when the employees are entitled to receive such benefits and the amount can be reasonably estimated. Transaction related bonuses and related employee retention costs are recognized over the relevant service period. Contract termination fees and penalties and other exit and disposal costs are generally recorded when incurred.

***Business Combinations***

We allocate purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair values. The purchase price is determined based on the fair value of the assets transferred, liabilities assumed and equity interests issued, after considering any transactions that are separate from the business combination. The fair value of equity issued as part of a business combination is determined based on grant date stock price of the Company. The excess of fair value of purchase consideration over the fair values of the identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets and contingent liabilities. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired customer bases, acquired technology and acquired trade names, useful lives, royalty rates, and discount rates.

The estimates are inherently uncertain and subject to revision as additional information is obtained during the measurement period for an acquisition, which may last up to one year from the acquisition date. During the measurement period, we may record adjustments to the fair value of tangible and intangible assets acquired and liabilities assumed, with a corresponding offset to goodwill. After the conclusion of the measurement period or the final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to earnings.

In addition, uncertain tax positions and tax-related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date. We reevaluate these items based upon the facts and circumstances that existed as of the acquisition date, with any revisions to our preliminary estimates being recorded to goodwill, provided that the timing is within the measurement period. Subsequent to the measurement period, changes to uncertain tax positions and tax-related valuation allowances will be recorded to earnings.



**Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (continued)*****Goodwill and Acquired Intangible Assets***

Goodwill is calculated as the excess of the purchase consideration paid in a business combination over the fair value of the assets acquired less liabilities assumed. Goodwill is not amortized and is tested for impairment at least annually or when events and circumstances indicate that fair value of a reporting unit may be below its carrying value. The company has one reporting unit.

We first assess qualitative factors to evaluate whether it is more likely than not that the fair value of a reporting unit is less than the carrying amount or elect to bypass such assessment. If it is determined that it is more likely than not that the fair value of the reporting unit is less than its carrying value, or we elect to bypass the qualitative assessment, we perform a quantitative test by determining the fair value of the reporting unit. If the carrying value of the reporting unit exceeds the fair value, then an impairment loss is recognized for the difference.

Acquired technology, customer lists, trade names or brand portfolios, and other intangible assets are related to previous acquisitions (refer to Note 7 - Goodwill and Acquired Intangible Assets). Acquired intangible assets are amortized on a straight-line basis over the estimated period over which we expect to realize economic value related to the intangible asset. The amortization periods range from 2 years to 15 years. Any costs incurred to renew or extend the life of an intangible or long-lived asset are reviewed for capitalization.

Indefinite-lived intangible assets consist primarily of brand portfolios acquired from Pre-Acquisition ZI and represent costs paid to legally register phrases and graphic designs that identify and distinguish products sold by the Company. Brand portfolios are not amortized, rather potential impairment is considered on an annual basis in the fourth quarter, or more frequently upon the occurrence of a triggering event, when circumstances indicate that the book value of trademarks are greater than their fair value. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than the carrying value as a basis to determine whether further impairment testing is necessary. No impairment charges relating to acquired goodwill or indefinite lived intangible assets were recorded for the three and nine month periods ended September 30, 2022 and 2021.

***Impairment of Long-lived Assets***

Long-lived assets, such as property and equipment and acquired intangible assets, are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the undiscounted future cash flows expected to be generated by the asset or group of assets. If the carrying amount of the asset exceeds the estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the estimated future cash flows of the asset. During the year ended December 31, 2021, we recorded impairment charges of \$1.5 million to reduce the carrying value of our existing Waltham right-of-use asset and \$1.2 million to reduce the carrying value of the related leasehold improvements to their respective fair values.

***Leases***

We determine if an arrangement is or contains a lease at contract inception. For these arrangements, primarily those related to our data center arrangements, there is judgment in evaluating if the arrangement involves an identified asset that is physically distinct or whether we have the right to substantially all of the capacity of an identified asset that is not physically distinct. In arrangements that involve an identified asset, there is also judgment in evaluating if we have the right to direct the use of that asset.

**Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (continued)**

We do not have any finance leases. Operating leases are recorded on our Condensed Consolidated Balance Sheets. Right-of-use assets and lease liabilities are measured at the lease commencement date based on the present value of the fixed minimum remaining lease payments over the lease term, determined using the discount rate for the lease at the commencement date. Because the rates implicit in our leases are not readily determinable, we use our incremental borrowing rate as the discount rate for each respective lease, which approximates the interest rate at which we could borrow on a collateralized basis with similar terms and payments and in similar economic environments. Some leases include options to extend or options to terminate the lease prior to the stated lease expiration. Optional periods to extend a lease, including by not exercising a termination option, are included in the lease term when it is reasonably certain that the option will be exercised (or not exercised in the case of termination options). Operating lease expense is recognized on a straight-line basis over the lease term. We account for lease and non-lease components, principally common area maintenance and related taxes for our facilities leases, as a single lease component. Short term leases, defined as leases having an original lease term less than or equal to one year, are excluded from our right-of-use assets and liabilities.

**Unearned Revenue**

Unearned revenue consists of customer payments and billings in advance of revenue being recognized from our subscription services. Unearned revenue that is anticipated to be recognized within the next 12 months is recorded as *Unearned revenue, current portion* and the remaining portion is included in *Unearned revenue, net of current portion* on our Condensed Consolidated Balance Sheets.

**Debt Issuance Costs**

Costs incurred in connection with the issuance of long-term debt are deferred and amortized as interest expense over the terms of the related debt using the effective interest method for term debt and on a straight-line basis for revolving debt. Debt issuance costs are generally presented on our Condensed Consolidated Balance Sheets as a direct deduction from the carrying amount of the outstanding borrowings, consistent with debt discounts. However, the Company classifies the debt issuance costs related to its first lien revolving credit facility within *Deferred costs and other assets, net of current portion* on our Condensed Consolidated Balance Sheets regardless of whether the Company has any outstanding borrowings on our first lien revolving credit facility. Upon a refinancing or amendment, the Company evaluates the modified debt instrument in accordance with ASC 470-50-40-10. When the present value of the cash flows under the modified debt instrument has changed by greater than 10 percent from the present value of the remaining cash flows under the terms of the original debt instrument, the Company accounts for the amendment as a debt extinguishment and all previously-capitalized debt issuance costs are expensed and included in *Loss on debt modification and extinguishment*. If the change in the present value of cash flows is less than 10 percent, any previously-capitalized debt issuance costs are amortized as interest expense over the term of the new debt instrument. The Company performs assessments of debt modifications at a lender-specific level for all syndicated financing arrangements.

**Tax Receivable Agreements**

In connection with our IPO, we entered into two Tax Receivable Agreements ("TRAs") with certain non-controlling interest owners (the "TRA Holders"). The TRAs generally provide for payment by the Company to the TRA Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income tax or franchise tax that the Company actually realizes or is deemed to realize in certain circumstances. The Company will retain the benefit of the remaining 15% of these net cash savings.

Amounts payable under the TRA are accrued by a charge to income when it is probable that a liability has been incurred and the amount is estimable. TRA related liabilities are classified as current or noncurrent based on the expected date of payment and are included on our Condensed Consolidated Balance Sheets under the captions *Current portion of tax receivable agreements liability* and *Tax receivable agreements liability, net of current portion*, respectively. Subsequent changes to the measurement of the TRA liability are recognized on our Consolidated Statements of Operations as a component of *Other (income) expense, net*. Refer to Note 16 - Tax Receivable Agreements for further details on the TRA liability.

**Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (continued)*****Income Taxes***

ZoomInfo Technologies Inc. and its direct subsidiary, ZoomInfo Intermediate Inc., are subject to U.S. federal as well as state income tax related to its ownership percentage in ZoomInfo Holdings LLC. ZoomInfo Holdings LLC is a limited liability company treated as a partnership for U.S. federal income tax purposes and files a U.S. Return of Partnership Income. Consequently, the members of ZoomInfo Holdings are taxed on their share of earnings for U.S. federal and state income tax purposes. During the three months ended December 31, 2021, ZoomInfo Midco LLC, which is held by ZoomInfo Holdings LLC, made an election to be classified as a corporation for U.S. federal and state income tax purposes. ZoomInfo Midco LLC owns ZoomInfo Technologies LLC, our primary operating entity, among other entities. As such, under our tax elections, ZoomInfo Midco LLC is now subject to U.S. federal and state income tax as a result of our operations. Refer to Note 17 - Income Taxes for additional information regarding income taxes.

Deferred taxes are recorded using the asset and liability method, whereby tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. We regularly evaluate the valuation allowances established for deferred tax assets for which future realization is uncertain. In assessing the realizability of deferred tax assets, we consider both positive and negative evidence, including scheduled reversals of deferred tax assets and liabilities, projected future taxable income, tax planning strategies and results of recent operations. If, based on the weight of available evidence, it is more likely than not that the deferred tax assets will not be realized, a valuation allowance is recorded.

***Equity-Based Compensation Expense***

The Company periodically grants incentive awards to employees and non-employees, which generally vest over periods up to four years. Incentive awards may be in the form of various equity-based awards such as Restricted Stock and Restricted Stock Units, and Common Stock Options. Historically, the Company also granted awards in one of the Company's legacy subsidiary partnerships and such awards were typically in the form of profits interests. Profits interests are an interest in the increase in the value of the entity over a participation threshold. Prior to the IPO, the participation threshold was based on the valuation determined by the Board of Managers of OpCo Units on or around the grant date. Subsequent to the IPO, the participation threshold was determined by reference to the closing price of our Class A common stock from the preceding trading day. The holders of profits interests had the right to participate in distributions of profits only in excess of the participation threshold. Previously awarded profits interests were converted into Restricted Stock awards in connection with the Holding Company Reorganization (refer to Note 1 - Organization and Background).

Compensation expense for incentive awards is measured at the estimated fair value of the incentive units and is included as compensation expense over the vesting period during which an employee provides service in exchange for the award. Compensation expense for performance-based Restricted Stock Units is measured at the estimated fair value of the units and is recognized using the accelerated attribution method over the service period when it is probable that the performance condition will be satisfied.

The Company uses a Black-Scholes option pricing model to determine the fair value of stock options and profits interests, as profits interests have certain economic similarities to options. The Black-Scholes option pricing model includes various assumptions, including the expected term of incentive units, the expected volatility and the expected risk-free interest rate. These assumptions reflect the Company's best estimates, but they involve inherent uncertainties based on market conditions generally outside the control of the Company. As a result, if other assumptions are used, compensation cost could be materially impacted.

Compensation expense related to the Company's Employee Stock Purchase Plan is measured at the estimated fair value using the Black-Scholes option pricing model using the estimated number of awards as of the beginning of the offering period.

**Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (continued)**

The Company measures employee, non-employee, and board of director equity-based compensation on the grant date fair value basis. Equity-based compensation expense is recognized over the requisite service period of the awards. For equity awards that have a performance condition, the Company recognizes compensation expense based on its assessment of the probability that the performance condition will be achieved.

The Company classifies equity-based compensation expense on our Consolidated Statements of Operations in the same manner in which the award recipient's salary and related costs are classified or in which the award recipient's service payments are classified.

***Recent Accounting Pronouncements***

*Recent Accounting Pronouncements Not Yet Adopted*

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-04, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform, if certain criteria are met. The standard applies to contract modifications that replace a reference rate affected by reference rate reform and contemporaneous modifications of other contract terms related to the replacement of the reference rate. Further, the standard provides exceptions to certain guidance in ASC 815, Derivatives and Hedging, related to changes to the critical terms of a hedging relationship due to reference rate reform and provides optional expedients for fair value, cash flow, and net investment hedging relationships for which the component excluded from the assessment of hedge effectiveness is affected by reference rate reform. The standard is effective for us as of March 12, 2020 through December 31, 2022, and we may elect to apply the provisions of the standard as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020 up to the date that the financial statements are available to be issued. Once elected, the provisions of the standard must be applied prospectively for all similar eligible contract modifications other than derivatives, which may be applied at a hedging relationship level. In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope, to provide supplemental guidance and to further clarify the scope of the amended guidance. The standards would apply to our existing variable rate financing and derivatives designated as hedges if elected in the future. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

**Note 2 - Basis of Presentation and Summary of Significant Accounting Policies (continued)***Recently Adopted Accounting Pronouncements*

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured in accordance with ASC 606, Revenue from Contracts with Customers, as if the acquirer had originated the contract. The Update is intended to improve the accounting for acquired revenue contracts with customers in a business combination, related to the recognition of an acquired contract liability, and to payment terms and their effect on subsequent revenue recognized by the acquirer. The amendment also provides certain practical expedients when applying the guidance. ASU 2021-08 is effective for interim and annual periods beginning after December 15, 2022, on a prospective basis, with early adoption permitted. The company has elected to early adopt this standard, effective January 1, 2022. The adoption of this guidance did not have a material impact on our financial position, results of operations and cash flows.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. The amendments in ASU 2019-12 introduce the following new guidance: (1) provides a policy election to not allocate consolidated income taxes when a member of a consolidated tax return is not subject to income tax; and (2) provides guidance to evaluate whether a step-up in tax basis of goodwill relates to a business combination in which book goodwill was recognized or a separate transaction. The amendments in ASU 2019-12 make changes to the following current guidance: (1) making an intraperiod allocation if there is a loss in continuing operations and a gain outside of continuing operations; (2) determining when a deferred tax liability is recognized after an investor in a foreign entity transitions to or from the equity method of accounting; (3) accounting for tax law changes and year-to-date losses in interim periods; and (4) determining how to apply the income tax guidance to franchise taxes that are partially based on income. ASU 2019-12 is effective for public business entities' fiscal years, including interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. During Q3 2021, the Company liquidated Incent, creating a step-up in the tax basis separate from the acquisition. In accordance with ASU 2019-12, the Company recorded a deferred tax asset on this step-up in tax basis. The additional deferred tax asset recognized as of December 31, 2021 was \$6.3 million as a result of the adoption of this standard.

**Note 3 - Revenue from Contracts with Customers**

Revenue comprised the following service offerings:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Subscription	\$ 284.4	\$ 195.4	\$ 788.8	\$ 518.6
Usage-based	2.4	2.2	6.5	6.3
Other	0.8	—	1.1	—
Total revenue	\$ 287.6	\$ 197.6	\$ 796.4	\$ 524.9

Go-To-Market business intelligence tools are subscription services that allow customers access to our SaaS tools to support sales and marketing processes, which include data, analytics, and insights to provide accurate and comprehensive intelligence on organizations and professionals. Our customers use our platform to identify target customers and decision makers, obtain continually updated predictive lead and company scoring, monitor buying signals and other attributes of target companies, craft messages, engage via automated sales tools, and track progress through the deal cycle.

Usage-based revenue is comprised largely of email verification and intent-driven audience and targeting services, which are charged to our customers on a per unit basis based on their usage. We regularly observe that customers integrate our usage-based services into their internal workflows and use our services on an ongoing basis. We recognize usage-based revenue at the point in time the services are consumed by the customer, thereby satisfying our performance obligation.

**Note 3 - Revenue from Contracts with Customers (continued)**

Other revenue is comprised largely of implementation and professional services fees. We recognize other revenue as services are delivered.

Of the total revenue recognized in the three and nine months ended September 30, 2022, \$60.9 million and \$325.9 million were included in the unearned revenue balance as of December 31, 2021. Of the total revenue recognized in the three and nine months ended September 30, 2021, \$37.8 million and \$205.5 million were included in the unearned revenue balance as of December 31, 2020. Revenue recognized from performance obligations satisfied (or partially satisfied) in previous periods was not material.

Revenues derived from customers and partners located outside the United States, as determined based on the address provided by our customers and partners, accounted for approximately 13% and 11% of our total revenues for the three months ended September 30, 2022 and 2021, respectively. Revenues derived from customers and partners located outside the United States, as determined based on the address provided by our customers and partners, accounted for approximately 12% and 11% of our total revenues for the nine months ended September 30, 2022 and 2021, respectively. Contracts denominated in currencies other than U.S. Dollar were not material for the three and nine months ended September 30, 2022 and 2021.

**Contract Assets and Unearned Revenue**

The Company's standard billing terms typically require payment at the beginning of each annual, semi-annual, or quarterly period. Subscription revenue is generally recognized ratably over the contract term starting with when our service is made available to the customer. Usage-based revenue is recognized in the period services are utilized by our customers. The amount of revenue recognized reflects the consideration the Company expects to be entitled to receive in exchange for these services.

The Company records a contract asset when revenue recognized on a contract exceeds the billings to date for that contract. Unearned revenue results from cash received or amounts billed to customers in advance of revenue recognized upon the satisfaction of performance obligations. The unearned revenue balance is influenced by several factors, including seasonality, the compounding effects of renewals, invoice duration, invoice timing, dollar size, and new business timing within the quarter. The unearned revenue balance does not represent the total contract value of annual or multi-year, non-cancelable subscription agreements.

As of September 30, 2022 and December 31, 2021, the Company had contract assets of \$4.7 million and \$3.7 million, respectively, which are recorded as current assets within *Prepaid expenses and other current assets* on our Condensed Consolidated Balance Sheets. As of September 30, 2022 and December 31, 2021, the Company had unearned revenue of \$381.2 million and \$364.2 million, respectively.

ASC 606 requires the allocation of the transaction price to the remaining performance obligations of a contract. 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 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 45 months.

The remaining performance obligations consisted of the following:

<i>(in millions)</i>	Recognized within one year	Noncurrent	Total
As of September 30, 2022	\$ 756.9	\$ 221.9	\$ 978.8

## Note 4 - Business Combinations

### 2022 Acquisitions

In April 2022, the Company acquired all the outstanding equity interests of Comparably, Inc. (“Comparably”) and acquired substantially all the assets and certain specified liabilities of Dogpatch Advisors, LLC (“Dogpatch”) (collectively, the “2022 Acquired Companies”) for a total purchase consideration of \$150.6 million in cash and \$10.0 million in convertible notes receivable. As part of the acquisitions, the Company issued 448,740 restricted stock units at a total grant date fair value of \$26.8 million and could be required to issue additional equity awards up to a maximum value of \$3.7 million based on the attainment of certain revenue thresholds and the continued employment of acquired employees. The acquisition of Comparably provides ZoomInfo with unique proprietary data to further build TalentOS into a best-in-class talent platform by enriching recruiter search options and providing recruiters with access to millions of quality candidates and employer brand solutions. We acquired Dogpatch Advisors to launch ZoomInfo Labs, a new go-to-market thought leadership team, driving go-to-market data analysis, product enhancements and strategy for our enterprise customers. Dogpatch is a go-to-market consultancy with expertise in scaling revenue teams and building modern sales and marketing systems. The purchase accounting for the 2022 Acquired Companies transactions is not yet finalized.

The Company has included the financial results of the 2022 Acquired Companies in the consolidated financial statements from each date of acquisition. Due to the integration of the 2022 Acquired Companies into the operations of ZoomInfo, the Company cannot practicably determine the contribution of the 2022 Acquired Companies to consolidated net earnings. Transaction costs associated with each acquisition were not material.

The acquisition date fair value of the total consideration transferred was comprised of the following (in millions):

	Preliminary Fair Value at Acquisition Date	Measurement Period Adjustments	Adjusted Fair Value at Acquisition Date
Cash	\$ 150.5	\$ 0.1	\$ 150.6
Conversion of Note Receivable	10.0	—	10.0
Total purchase consideration	\$ 160.5	\$ 0.1	\$ 160.6

**Note 4 - Business Combinations (continued)**

The following table summarizes the aggregate fair values of the assets acquired and liabilities assumed, as of the dates of the acquisition for the 2022 Acquired Companies (in millions):

	Preliminary Fair Value at Acquisition Date	Measurement Period Adjustments	Adjusted Fair Value at Acquisition Date
Cash and cash equivalents	\$ 14.8	\$ —	\$ 14.8
Accounts receivable	2.3	—	2.3
Prepaid expenses and other assets	0.3	—	0.3
Intangible assets	34.8	—	34.8
Accounts payable and other liabilities	(0.9)	(0.4)	(1.3)
Unearned revenue	(6.8)	—	(6.8)
Deferred tax liabilities	(6.5)	—	(6.5)
Total identifiable net assets acquired	38.0	(0.4)	37.6
Goodwill	122.5	0.5	123.0
Total consideration	160.5	0.1	160.6
Cash Acquired	(14.8)	—	(14.8)
Cash paid for acquisitions, net of cash acquired	\$ 145.7	\$ 0.1	\$ 145.8
Cash paid (refunds received) for 2021 acquisitions in 2022 (see "2021 Acquisitions")			\$ (2.1)
Total cash paid for acquisitions in 2022			\$ 143.7

The excess of purchase consideration over the fair value of net tangible and intangible assets acquired was recorded as goodwill. The fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed are based on management's estimates and assumptions. The fair values of assets acquired and liabilities assumed in the Comparably acquisition may be subject to change as additional information is received regarding working capital balances at the acquisition date, and the values of the identifiable intangible assets.

The following table sets forth the components of identifiable intangible assets acquired and the estimated useful lives as of the dates of acquisition (in millions):

	Preliminary Fair Value at Acquisition Date	Measurement Period Adjustments	Adjusted Fair Value at Acquisition Date	Weighted Average Useful Life
Existing Technology	\$ 27.6	\$ —	\$ 27.6	5.8 years
Customer Relationships	3.4	—	3.4	9.0 years
Trade name / Trademarks	3.8	—	3.8	8.0 years
	<u>\$ 34.8</u>	<u>\$ —</u>	<u>\$ 34.8</u>	

Developed technology represents the fair value of the technology portfolios acquired. The goodwill is primarily attributed to the expanded market opportunities when integrating technology with the Company's technology and the assembled workforce. All goodwill acquired in the nine months ended September 30, 2022 is expected to be deductible for U.S. income tax purposes.

Pro forma information related to the acquisitions has not been presented as the impact was not material to the Company's financial results.



**Note 4 - Business Combinations (continued)****2021 Acquisitions**

During the twelve months ended December 31, 2021, the Company consummated the following acquisitions (collectively, “2021 Acquired Companies”) which have been accounted for as business combinations under ASC Topic 805.

- In June 2021, the Company acquired all of the outstanding equity interests of Insent, Inc. (“Insent”) for total purchase consideration of \$34.0 million, consisting of \$32.9 million in cash and estimated deferred purchase consideration of \$1.1 million. The purchase accounting for this transaction has been finalized. As part of the acquisition, the Company issued 36,118 RSUs, at a total grant date fair value of \$2.4 million, and agreed to pay \$2.0 million of incentive compensation to acquired employees, subject to continued employment, to be recognized in the post-combination periods.
- In July 2021, the Company acquired substantially all of the net assets of AffectLayer, Inc. (d/b/a Chorus.ai) (“Chorus.ai”). At the time of purchase, the Company reserved a portion of cash transferred to settle the Seller’s estimated tax liability arising from the sale of Chorus.ai’s net assets. The Seller has since completed the final determination of its tax liability, resulting in a refund to the Company of approximately \$33.9 million in cash, which was received in the fourth quarter of 2021 and previously included in the *Prepaid expenses and other current assets* balance. After adjustment for this refund, purchase consideration transferred for the assets of Chorus.ai is \$547.4 million in cash. The total purchase consideration includes \$31.8 million attributable to certain unvested options issued by Chorus.ai that were accelerated in contemplation of the acquisition by ZoomInfo. The purchase accounting for this transaction has been finalized. As part of the acquisition, the Company issued 572,921 RSUs that replaced previously unvested equity in Chorus.ai or were issued as incremental incentive grants at a total grant date fair value of \$30.3 million, and agreed to pay \$6.0 million of compensation to acquired employees, subject to continued employment, to be recognized in the post-combination periods.
- In September 2021, the Company acquired substantially all of the net assets of RingLead, Inc. (“RingLead”) for total purchase consideration of \$116.0 million, consisting of \$114.9 million in cash and estimated deferred purchase consideration of \$1.1 million. The purchase accounting for this transaction has been finalized. As part of the acquisition, the Company issued 42,854 replacement RSUs, at a total grant date fair value of \$2.8 million and agreed to pay \$3.7 million of incentive compensation to acquired employees, subject to continued employment, to be recognized in the post-combination periods.

The Company has included the financial results of the 2021 Acquired Companies in the consolidated financial statements from each date of acquisition. During the twelve months ended December 31, 2021, the 2021 Acquired Companies contributed \$13.2 million to revenue. Due to the integration of the 2021 Acquired Companies into the operations of ZoomInfo, the Company cannot practicably determine the contribution of the 2021 Acquired Companies to consolidated net earnings. Transaction costs associated with each acquisition were not material.

The acquisition date fair value of the total consideration transferred was comprised of the following (in millions):

	Preliminary Fair Value at Acquisition Date	Measurement Period Adjustments	Adjusted Fair Value at Acquisition Date
Cash	\$ 697.7	\$ (2.5)	\$ 695.2
Deferred purchase consideration	2.2	—	2.2
Total purchase consideration	<u>\$ 699.9</u>	<u>\$ (2.5)</u>	<u>\$ 697.4</u>

**Note 4 - Business Combinations (continued)**

The following table summarizes the aggregate fair values of the assets acquired and liabilities assumed, as of the dates of the acquisition for the 2021 Acquired Companies, as adjusted in the fourth quarter of 2021 and the first quarter of 2022 (in millions):

	Preliminary Fair Value at Acquisition Date	Measurement Period Adjustments	Adjusted Fair Value at Acquisition Date
Cash and cash equivalents	\$ 13.9	\$ —	\$ 13.9
Accounts receivable	4.3	(0.1)	4.2
Prepaid expenses and other assets	2.8	(0.1)	2.7
Intangible assets	120.7	0.2	120.9
Accounts payable and other liabilities	(4.1)	(0.5)	(4.6)
Unearned revenue	(10.2)	—	(10.2)
Deferred tax liabilities	(2.7)	—	(2.7)
Total identifiable net assets acquired	124.7	(0.5)	124.2
Goodwill	575.2	(2.0)	573.2
Total consideration	699.9	(2.5)	697.4
Cash refund from Chorus.ai acquisition	33.9	(33.9)	—
Deferred consideration	(2.2)	—	(2.2)
Accruals from adjustments to working capital balances	(0.5)	0.6	0.1
Accruals from adjustments to tax liabilities	—	0.4	0.4
Cash acquired	(13.9)	—	(13.9)
Cash paid for acquisitions, net of cash acquired	\$ 717.2	\$ (35.4)	\$ 681.8
Cash paid (received) for acquisitions in 2021			\$ 683.9
Cash paid (received) for acquisitions in 2022			\$ (2.1)

The excess of purchase consideration over the fair value of net tangible and intangible assets acquired was recorded as goodwill. The fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed are based on management's estimates and assumptions.

The following table sets forth the components of identifiable intangible assets acquired and the estimated useful lives as of the dates of acquisition (in millions):

	Preliminary Fair Value at Acquisition Date	Measurement Period Adjustments	Adjusted Fair Value at Acquisition Date	Weighted Average Useful Life
Brand portfolio	\$ 1.1	\$ —	\$ 1.1	2.0 years
Developed technology	107.5	0.2	107.7	6.1 years
Customer relationships	12.1	—	12.1	7.7 years
Total intangible assets	\$ 120.7	\$ 0.2	\$ 120.9	

Developed technology represents the fair value of the technology portfolios acquired. The goodwill is primarily attributed to the expanded market opportunities when integrating technology with the Company's technology and the assembled workforce. All goodwill acquired in the twelve months ended December 31, 2021 is expected to be deductible for U.S. income tax purposes.

**Note 4 - Business Combinations (continued)***Unaudited Pro Forma Financial Information for the 2021 Acquisitions*

The following table presents the unaudited pro forma results for the years ended December 31, 2021 and 2020. The unaudited pro forma financial information combines the results of operations of the 2021 Acquired Companies and ZoomInfo as though each of the acquisitions had been completed on January 1, 2020. The pro forma information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisitions had taken place at such time. The unaudited pro forma results presented below primarily include adjustments for amortization of identifiable intangible assets, the valuation of deferred revenue assumed in the acquisitions (“the deferred revenue write-down”), interest expense, aggregate transaction expenses and transaction success bonuses of \$12.6 million, equity-based compensation, and related tax effects of the adjustments:

<i>(in millions)</i>	Year Ended December 31,	
	2021	2020
Revenue	\$ 764.0	\$ 490.6
Net income (loss)	\$ 84.9	\$ (78.8)

**Note 5 - Cash, Cash Equivalents, and Short-term Investments**

Cash, cash equivalents, and short-term investments consisted of the following as of September 30, 2022:

<i>(in millions)</i>	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
<b>Current Assets:</b>				
Cash	\$ 112.8	\$ —	\$ —	\$ 112.8
<b>Cash equivalents</b>				
Corporate debt securities	151.5	—	—	151.5
Money market mutual funds	142.0	—	—	142.0
Total cash equivalents	293.5	—	—	293.5
Total cash and cash equivalents	406.3	—	—	406.3
<b>Short-term investments:</b>				
Corporate debt securities	25.7	—	—	25.7
Securities guaranteed by U.S. government	5.0	—	—	5.0
Other governmental securities	1.7	—	—	1.7
Total short-term investments	32.4	—	—	32.4
Total cash, cash equivalents, and short-term investments	\$ 438.7	\$ —	\$ —	\$ 438.7

**Note 5 - Cash, Cash Equivalents, and Short-term Investments (continued)**

Cash, cash equivalents, and short-term investments consisted of the following as of December 31, 2021:

<i>(in millions)</i>	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
<b>Current Assets:</b>				
Cash	\$ 276.5	\$ —	\$ —	\$ 276.5
Cash equivalents				
Corporate debt securities	15.7	—	—	15.7
Money market mutual funds	16.1	—	—	16.1
Total cash equivalents	31.8	—	—	31.8
Total cash and cash equivalents	308.3	—	—	308.3
Short-term investments:				
Corporate debt securities	18.4	—	—	18.4
Total short-term investments	18.4	—	—	18.4
Total cash, cash equivalents, and short-term investments	\$ 326.7	\$ —	\$ —	\$ 326.7

Refer to Note 10 - Fair Value for further information regarding the fair value of our financial instruments.

Gross unrealized losses on our available-for sale securities were immaterial at September 30, 2022 and December 31, 2021.

The following table summarizes the cost and estimated fair value of the securities classified as short-term investments based on stated effective maturities as of September 30, 2022 and December 31, 2021:

<i>(in millions)</i>	September 30, 2022		December 31, 2021	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due within one year	\$ 32.4	\$ 32.4	\$ 18.4	\$ 18.4
Total	\$ 32.4	\$ 32.4	\$ 18.4	\$ 18.4

**Note 6 - Property and Equipment**

The Company's fixed assets consist of the following (in millions):

	September 30, 2022	December 31, 2021
Computer equipment	\$ 12.7	\$ 12.5
Furniture and fixtures	3.7	3.6
Leasehold improvements	9.6	8.6
Internal use developed software	58.7	40.8
Construction in progress	3.0	5.9
Property and equipment, gross	87.7	71.4
Less: accumulated depreciation	(37.5)	(29.7)
Property and equipment, net	\$ 50.2	\$ 41.7

During the fiscal year ending December 31, 2021, in relation to our Waltham office relocation, we recorded an impairment charge of \$2.7 million, comprised of \$1.5 million relating to the operating lease right-of-use asset, and \$1.2 million relating to the leasehold improvements. We also recorded accelerated depreciation of furniture and fixtures of \$2.1 million. These charges were recognized within *Restructuring and transaction-related expenses* on our Consolidated Statements of Operations.

**Note 6 - Property and Equipment (continued)**

Depreciation expense was \$4.8 million and \$2.9 million for the three months ended September 30, 2022 and 2021, respectively. Depreciation expense was \$12.9 million and \$10.4 million for the nine months ended September 30, 2022 and 2021, respectively.

**Note 7 - Goodwill and Acquired Intangible Assets**

Intangible assets consisted of the following as of September 30, 2022:

<i>(in millions)</i>	Gross Carrying Amount	Accumulated Amortization	Net	Weighted Average Amortization Period in Years
<b>Intangible assets subject to amortization:</b>				
Customer relationships	\$ 287.6	\$ (87.0)	\$ 200.6	14.4
Acquired technology	330.8	(157.0)	173.8	6.3
Brand portfolio	11.5	(5.4)	6.1	7.5
Net intangible assets subject to amortization	<u>\$ 629.9</u>	<u>\$ (249.4)</u>	<u>\$ 380.5</u>	
<b>Intangible assets not subject to amortization</b>				
Pre-Acquisition ZI brand portfolio	\$ 33.0	\$ —	\$ 33.0	
Goodwill	\$ 1,696.3	\$ —	\$ 1,696.3	

Amortization expense was \$17.9 million and \$16.1 million for the three months ended September 30, 2022 and 2021, respectively. Amortization expense was \$52.3 million and \$39.2 million for the nine months ended September 30, 2022 and 2021, respectively.

The following summarized changes to the Company's goodwill (in millions):

Balance at December 31, 2021	\$ 1,575.1
Adjustments from 2021 acquisitions	(1.8)
Goodwill from 2022 acquisitions	123.0
Balance at September 30, 2022	<u>\$ 1,696.3</u>

Based on the results of the Company's impairment assessment, the Company did not recognize any impairment of goodwill during the nine months ended September 30, 2022 or September 30, 2021.

**Note 8 - Financing Arrangements**

As of September 30, 2022 and December 31, 2021, the carrying values of the Company's borrowings were as follows (in millions):

Instrument	Date of Issuance	Maturity Date	Elected Interest Rate	Carrying Value as of	
				September 30, 2022	December 31, 2021
First Lien Term Loan	February 1, 2019	February 1, 2026	LIBOR + 3.00%	\$ 595.1	\$ 594.1
First Lien Revolver	February 1, 2019	November 2, 2025	LIBOR + 2.00%	—	—
Senior Notes	February 2, 2021	February 1, 2029	3.875%	639.9	638.8
Total Carrying Value of Debt				\$ 1,235.0	\$ 1,232.9
Less current portion				—	—
Total Long Term Debt				\$ 1,235.0	\$ 1,232.9

**First Lien Term Loan**

In February 2021, we used all of the net proceeds from issuance of the Senior Notes, along with cash on hand, to prepay \$356.4 million aggregate principal amount of our first lien term loans outstanding under the First Lien Credit Agreement (the "Debt Prepayment"). Following the Debt Prepayment, \$400.0 million aggregate principal amount of first lien term loans were outstanding under our First Lien Credit Agreement. In February 2021, we entered into an amendment to our First Lien Credit Agreement (the "Second Amendment"), pursuant to which the Company completed a repricing of its First Lien Term Loan Facility, which decreased the interest rate from LIBOR plus 3.75% per annum to LIBOR plus 3.00% per annum. The Company recognized \$7.7 million in the twelve months ended December 31, 2021 within *Loss on debt modification and extinguishment* on our Consolidated Statements of Operations, primarily comprised of the write-off of unamortized issuance costs associated with the Debt Prepayment.

In July 2021, we entered into an amendment to our existing First Lien Credit Agreement, that provided for the incurrence of an additional \$200.0 million aggregate principal amount of additional term loans under our existing First Lien Credit Agreement.

The first lien term debt has a variable interest rate whereby the Company can elect to use a Base Rate or LIBOR plus an applicable rate. The applicable rate is 2.00% for Base Rate loans or 3.00% for LIBOR Based Loans. The effective interest rate on the first lien debt was 5.83% and 3.41% as of September 30, 2022 and December 31, 2021, respectively.

**First Lien Revolving Credit Facility**

Pursuant to the Second Amendment to the First Lien Credit Agreement entered into in February 2021, the Company increased the aggregate commitments to \$250.0 million under our first lien revolving credit facility. The Second Amendment also provided an extension of the maturity date of our first lien revolving credit facility to November 2025.

The first lien revolving debt has a variable interest rate whereby the Company can elect to use a Base Rate or LIBOR plus an applicable rate. The applicable margin is 1.00% to 1.25% for Base Rate loans or 2.00% to 2.25% for LIBOR Based Loans, depending on the Company's leverage.

**Note 8 - Financing Arrangements (continued)**

In July 2021, the Company drew down \$225.0 million under the revolving credit facility and then paid off the outstanding \$225.0 million balance of the revolving credit facility with proceeds from the Credit Agreement Amendment and proceeds from the Senior Notes. The effective interest rate was 4.4% as of the repayment date. Immaterial debt issuance costs were incurred in connection with these entries into the revolving credit facility. These debt issuance costs are amortized into interest expense over the expected life of the arrangement. Unamortized debt issuance costs included in *Deferred costs and other assets, net of current portion* on our Condensed Consolidated Balance Sheets were immaterial as of September 30, 2022 and December 31, 2021.

**First Lien Credit Agreement**

The First Lien Credit Agreement is secured by substantially all the productive assets of the Company. The First Lien Credit Agreement contains a number of covenants that restrict, subject to certain exceptions, the Company's ability to, among other things:

- incur additional indebtedness;
- create or incur liens;
- engage in certain fundamental changes, including mergers or consolidations;
- sell or transfer assets;
- pay dividends and distributions on our subsidiaries' capital stock;
- make acquisitions, investments, loans or advances;
- engage in certain transactions with affiliates; and
- enter into negative pledge clauses and clauses restricting subsidiary distributions.

If the Company draws more than \$87.5 million of the revolving credit loan, the revolving credit loan is subject to a springing financial covenant pursuant to which the consolidated first lien net leverage ratio must not exceed 5.00 to 1.00. The credit agreements also contain certain customary affirmative covenants and events of default, including a change of control. If an event of default occurs, the lenders under the credit agreements will be entitled to take various actions, including the acceleration of amounts due under the credit agreements and all actions permitted to be taken by a secured creditor.

**Senior Notes**

In February 2021, ZoomInfo Technologies LLC and ZoomInfo Finance Corp., indirect subsidiaries of ZoomInfo Technologies Inc. (the "Issuers"), issued \$350.0 million in aggregate principal amount of 3.875% Senior Notes due February 2029 to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. Interest on the Senior Notes is payable semi-annually in arrears beginning on August 1, 2021. The Issuers may redeem all or a part of the Notes at any time prior to February 1, 2024 at a price equal to the present value of the redemption price as of February 1, 2024, defined below, plus unaccrued and unpaid interest to February 1, 2024. In addition, beginning on February 1, 2024, the Issuers may redeem all or a part of the Notes at a redemption price equal to 101.938% of the principal amount redeemed. The redemption price decreases to 100.969% and 100.000% of the principal amount redeemed on February 1, 2025 and February 1, 2026, respectively. In addition, at any time prior to February 1, 2024, the Issuers may redeem up to 40% of the Notes from the proceeds of certain equity offerings at a redemption price equal to 103.875% of the principal amount of the Senior Notes, plus accrued and unpaid interest.

**Note 8 - Financing Arrangements (continued)**

In July 2021, ZoomInfo Technologies LLC and ZoomInfo Finance Corp., indirect subsidiaries of ZoomInfo Technologies Inc., issued and sold \$300.0 million in aggregate principal amount of additional 3.875% senior notes due in 2029. The notes were issued under the same indenture as the Issuers' existing \$350.0 million aggregate principal amount of 3.875% senior notes due 2029 (the "Existing Notes"), which were issued in February 2021, and constitute part of the same series as the Existing Notes.

**Note 9 - Derivatives and Hedging Activities**

We are exposed to changes in interest rates, primarily relating to changes in interest rates on our first lien term loan. Consequently, from time to time, we may use interest rate swaps or other financial instruments to manage our exposure to interest rate movements. Our primary objective in holding derivatives is to reduce the volatility of cash flows associated with changes in interest rates. We do not enter into derivative transactions for speculative or trading purposes.

We recognize derivative instruments and hedging activities on a gross basis as either assets or liabilities on our Condensed Consolidated Balance Sheets and measure 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. For derivatives designated as cash flow hedges, the change in the estimated fair value of the effective portion of the derivative is recognized in *Accumulated other comprehensive income (loss)* on our Condensed Consolidated Balance Sheets. 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. Gains and losses resulting from valuation adjustments on dedesignated portions of our derivative contract subsequent to dedesignation of hedge accounting are recorded within *Interest expense, net* on our Consolidated Statements of Operations. As it is not probable the forecasted transaction will not occur, the amounts in *Accumulated other comprehensive income (loss)* as of the date of dedesignation will be released based on our original forecast.

In the first quarter of 2021, concurrent with the prepayment of \$356.4 million aggregate principal amount of the first lien term loans outstanding under the First Lien Credit Agreement, we fully dedesignated the interest rate cap contract and partially dedesignated \$100.0 million of the notional amount of one of the forward-starting interest rate swap contracts. In the third quarter of 2021, the Company redesignated \$100.0 million of available notional of the partially dedesignated forward-starting interest rate swap contract and redesignated \$100.0 million of available notional of the interest-rate cap contract in connection with the incurrence of an incremental \$200.0 million of variable-rate debt under the First Lien Credit Agreement.

In the second quarter of 2022, two interest rate swap contracts in the notional amount of \$350.0 million matured. Interest rate swaps in the notional amount of \$500.0 million became effective in April 2022.

In the third quarter of 2022, the Company sold \$400.0 million of the notional amount of the interest rate cap contract which was not designated as an accounting hedge. We recognized a gain of \$3.0 million, partially offset by the derecognition of \$2.5 million of derivative assets, resulting from this sale within *Interest expense, net* on our Consolidated Statements of Operations.

As of September 30, 2022, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk (\$ in millions):

Interest Rate Derivatives (Level 2)	Number of Instruments	Notional Aggregate Principal Amount	Interest Cap / Swap Rate	Maturity Date
Interest rate cap contract	One	\$ 100.0	3.500 %	April 30, 2024
Interest rate swap contracts	Two	\$ 500.0	0.370 %	January 30, 2026



**Note 9 - Derivatives and Hedging Activities (continued)**

The following table summarizes the fair value and presentation on our Condensed Consolidated Balance Sheets for derivatives as of September 30, 2022 and December 31, 2021 (in millions):

Instrument	Fair Value of Derivative Instruments			
	September 30, 2022		December 31, 2021	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
<b>Derivatives designated as hedging instruments</b>				
Interest rate cap contract <sup>(1)</sup>	\$ —	\$ —	\$ —	\$ 0.1
Interest rate cap contract <sup>(2)</sup>	0.8	—	—	—
Interest rate cap contract <sup>(3)</sup>	0.6	—	—	—
Interest rate swap contracts <sup>(1)</sup>	—	—	—	2.4
Interest rate swap contracts <sup>(2)</sup>	19.2	—	—	—
Interest rate swap contracts <sup>(3)</sup>	37.2	—	—	—
Forward-starting interest rate swap contracts <sup>(2)</sup>	—	—	0.7	—
Forward-starting interest rate swap contracts <sup>(3)</sup>	—	—	15.2	—
<b>Total designated derivative fair value</b>	<b>57.8</b>	<b>—</b>	<b>15.9</b>	<b>2.5</b>
<b>Derivatives not designated as hedging instruments</b>				
Interest rate cap contract <sup>(1)</sup>	—	—	—	0.3
Interest rate cap contract <sup>(3)</sup>	—	—	0.1	—
<b>Total undesignated derivative fair value</b>	<b>—</b>	<b>—</b>	<b>0.1</b>	<b>0.3</b>
<b>Total derivative fair value</b>	<b>\$ 57.8</b>	<b>\$ —</b>	<b>\$ 16.0</b>	<b>\$ 2.8</b>

(1) Included in *Accrued expenses and other current liabilities* on our Condensed Consolidated Balance Sheets.

(2) Included in *Prepaid expenses and other current assets* on our Condensed Consolidated Balance Sheets.

(3) Included in *Deferred costs and other assets, net of current portion* on our Condensed Consolidated Balance Sheets.

The change in fair value of any derivative instruments was recorded, net of income tax, in *Accumulated other comprehensive income (loss)* on our Condensed Consolidated Balance Sheets to the extent the agreements were designated as effective hedges. In the period that the hedged item affects earnings, such as when interest payments are made on the Company's variable-rate debt, we reclassify the related gain or loss on the interest rate swap cash flow hedges and any receipts on the cap to *Interest expense, net* and as operating cash flows on our Consolidated Statements of Cash Flows in the period settled in cash. Income tax effects from changes in fair value of derivative instruments are recorded on our Consolidated Statements of Operations when the derivative instruments are settled. Over the next 12 months, we expect to reclassify approximately \$19.9 million into interest income from AOCI.

Refer to the Company's Consolidated Statements of Comprehensive Income (Loss) for amounts reclassified from AOCI into earnings related to the Company's Derivative Instruments designated as cash flow hedging instruments for each of the reporting periods.

## Note 10 - Fair Value

The Company's financial instruments consist principally of cash and cash equivalents, short-term investments, prepaid expenses and other current assets, accounts receivable, and accounts payable, accrued expenses, and long-term debt. The carrying value of cash and cash equivalents, prepaid expenses and other current assets, accounts receivable, accounts payable, and accrued expenses approximate fair value, primarily due to short maturities. We classify our money market mutual funds as Level 1 within the fair value hierarchy. We classify our corporate debt securities, securities guaranteed by U.S. government, and other governmental securities as Level 2 within the fair value hierarchy. The fair value of our first term lien debt and Senior Notes as of September 30, 2022 was \$591.0 million and \$526.5 million, respectively, based on observable market prices in less active markets and categorized as Level 2 within the fair value measurement framework.

The Company has elected to use the income approach to value the interest rate derivatives using observable Level 2 market expectations at measurement date and standard valuation techniques to convert future amounts to a single present amount (discounted) reflecting current market expectations about those future amounts. Level 2 inputs for the derivative valuations are limited to quoted prices for similar assets or liabilities in active markets (specifically futures contracts) and inputs other than quoted prices that are observable for the asset or liability (specifically LIBOR cash and swap rates, implied volatility for options, caps and floors, basis swap adjustments, overnight indexed swap ("OIS") short term rates and OIS swap rates, when applicable, and credit risk at commonly quoted intervals). Mid-market pricing is used as a practical expedient for most fair value measurements. Key inputs, including the cash rates for very short term futures rates and swap rates beyond the derivative maturity are interpolated to provide spot rates at resets specified by each derivative (reset rates are then further adjusted by the basis swap, if necessary). Derivatives are discounted to present value at the measurement date at LIBOR rates unless they are fully collateralized. Fully collateralized derivatives are discounted to present value at the measurement date at OIS rates (short term OIS rates and long term OIS swap rates).

Inputs are collected from SuperDerivatives, an independent third-party derivative pricing data provider, as of the close on the last day of the period. The valuation of the interest rate swaps also take into consideration estimates of our own, as well as our counterparty's, risk of non-performance under the contract.

We estimate the value of other long-lived assets that are recorded at fair value on a non-recurring basis based on a market valuation approach. We use prices and other relevant information generated primarily by recent market transactions involving similar or comparable assets, as well as our historical experience in divestitures, acquisitions, and real estate transactions. Additionally, we may use a cost valuation approach to value long-lived assets when a market valuation approach is unavailable. Under this approach, we determine the cost to replace the service capacity of an asset, adjusted for physical and economic obsolescence. When available, we use valuation inputs from independent valuation experts, such as real estate appraisers and brokers, to corroborate our estimates of fair value. Real estate appraisers' and brokers' valuations are typically developed using one or more valuation techniques including market, income and replacement cost approaches. Because these valuations contain unobservable inputs, we classify the measurement of fair value of long-lived assets as Level 3.

**Note 10 - Fair Value (continued)**

The fair value (in millions) of our financial assets and (liabilities) was determined using the following inputs:

<b>Fair Value at September 30, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Measured on a recurring basis:</b>			
Assets:			
Cash equivalents:			
Corporate debt securities	\$ —	\$ 151.5	\$ —
Money market mutual funds	\$ 142.0	\$ —	\$ —
Short-term investments:			
Corporate debt securities	\$ —	\$ 25.7	\$ —
Securities guaranteed by U.S. government	\$ —	\$ 5.0	\$ —
Other governmental securities	\$ —	\$ 1.7	\$ —
Prepaid expenses and other current assets:			
Interest rate cap contract	\$ —	\$ 0.8	\$ —
Interest rate swap contracts	\$ —	\$ 19.2	\$ —
Deferred costs and other assets, net of current portion			
Interest rate cap contract	\$ —	\$ 0.6	\$ —
Interest rate swap contracts	\$ —	\$ 37.2	\$ —
<b>Fair Value at December 31, 2021</b>			
<b>Measured on a recurring basis:</b>			
Assets:			
Cash equivalents:			
Corporate debt securities	\$ —	\$ 15.7	\$ —
Money market mutual funds	\$ 16.1	\$ —	\$ —
Short-term investments:			
Corporate debt securities	\$ —	\$ 18.4	\$ —
Prepaid expenses and other current assets:			
Forward-starting interest rate swap contracts	\$ —	\$ 0.7	\$ —
Deferred costs and other assets, net of current portion			
Interest rate cap contract	\$ —	\$ 0.1	\$ —
Forward-starting interest rate swap contracts	\$ —	\$ 15.2	\$ —
Liabilities:			
Derivative contracts:			
Interest rate cap contract	\$ —	\$ (0.4)	\$ —
Interest rate swap contracts	\$ —	\$ (2.4)	\$ —
<b>Measured on a non-recurring basis:</b>			
Impaired lease-related assets	\$ —	\$ —	\$ 14.2

There have been no transfers between fair value measurements levels during the nine months ended September 30, 2022.

## **Note 10 - Fair Value (continued)**

Refer to Note 5 - Cash, Cash Equivalents, and Short-term Investments for further information regarding the fair value of our financial instruments. Refer to Note 9 - Derivatives and Hedging Activities for further information regarding the fair value of our derivative instruments. Refer to Note 15 - Leases, "recent leasing activity" of our 2021 Form 10-K for further information regarding the impairment of our Waltham operating lease.

## **Note 11 - Commitments and Contingencies**

### ***Non-cancelable purchase obligations***

As of September 30, 2022, we had additional outstanding non-cancelable purchase obligations with a term of 12 months or longer of \$58.0 million over the corresponding amount disclosed in the audited financial statements in our 10-K for the year ended December 31, 2021, mainly related to third-party cloud hosting and software as a service arrangements. For information regarding financing-related obligations, refer to Note 8 - Financing Arrangements. For information regarding lease-related obligations, refer to Note 14 - Leases.

### ***Sales and use tax***

The Company has conducted an assessment of sales and use tax exposure in states where the Company has established nexus. Based on this assessment, the Company has recorded a liability for taxes owed and related penalties and interest in the amount of \$3.3 million and \$3.1 million at September 30, 2022 and December 31, 2021, respectively. This liability is included in *Accrued expenses and other current liabilities* on our Condensed Consolidated Balance Sheets.

### ***Contingent earnout payments***

In connection with the acquisition of Dogpatch, the Company could be required to issue equity awards up to \$3.7 million. Refer to Note 4 - Business Combinations for additional information.

### ***Deferred acquisition-related payments***

In connection with the acquisition of Insent, the Company expects to pay an additional \$3.0 million in December 2022, of which \$1.1 million represents deferred consideration. Refer to Note 4 - Business Combinations for additional information.

### ***Legal matters***

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. Based on the information known by the Company as of the date of this filing, it is not possible to provide an estimated amount of any loss or range of loss that may occur with respect to these matters, including without limitation the matters described below.

On April 15, 2021, a putative class action lawsuit was filed against ZoomInfo Technologies LLC in the United States District Court for the Northern District of Illinois (Eastern Division) alleging ZoomInfo's use of Illinois residents' names in public-facing web pages violates the Illinois Right of Publicity Act, and seeking statutory, compensatory and punitive damages, costs, and attorneys' fees. The Company intends to vigorously defend against this lawsuit.

**Note 11 - Commitments and Contingencies (continued)**

On September 30, 2021, a putative class action lawsuit was filed against ZoomInfo Technologies Inc. in the United States District Court for the Western District of Washington alleging ZoomInfo's use of California residents' names in public-facing web pages violates California statutory and common law regarding the right of publicity as well as misappropriation, and seeking compensatory and punitive damages, restitution, injunctive relief, declaratory relief, costs, and attorneys' fees. The Company intends to vigorously defend against this lawsuit.

**Note 12 - Noncontrolling Interest**

ZoomInfo Technologies Inc. operates and controls all of the business and affairs, and consolidates the financial results through ZoomInfo OpCo and its subsidiaries, which conduct our business. Accordingly, ZoomInfo Technologies Inc. consolidates the financial results of ZoomInfo OpCo, and reports the noncontrolling interests of its consolidated subsidiaries on its consolidated financial statements based on the HoldCo Units and OpCo Units held by Continuing Members. Changes in ZoomInfo's ownership interest in its consolidated subsidiaries are accounted for as equity transactions. As such, redemptions or direct exchanges of HoldCo Units or OpCo Units by Continuing Members resulted in a change in ownership and reduced or increased the amount recorded as *Noncontrolling interests* and increased or decreased *Additional paid-in capital* on our Condensed Consolidated Balance Sheets. During the third quarter of 2021, all remaining HoldCo Units held by Continuing Members were exchanged for shares in ZoomInfo Technologies Inc. followed by the merger of HoldCo into ZoomInfo Technologies Inc. During the fourth quarter of 2021, all remaining OpCo Units held by Continuing Members were converted into Class A shares in connection with the merger of ZoomInfo OpCo into a newly formed subsidiary of ZoomInfo Technologies, Inc.

As of September 30, 2022, ZoomInfo Technologies Inc. held units resulting in an ownership interest of 100% in the consolidated subsidiaries.

The holders of OpCo Units may be subject to U.S. federal, state and local income taxes on their proportionate share of any taxable income of ZoomInfo OpCo. Net profits and net losses of ZoomInfo OpCo will generally be allocated to its holders pro rata in accordance with the percentages of their respective limited liability company interests. The amended and restated limited liability company agreement of ZoomInfo OpCo provides for cash distributions ("tax distributions") to the holders of OpCo Units and Class P Units. During the nine months ended September 30, 2021, the Company paid \$19.9 million in tax distributions to the noncontrolling interest.

**Note 13 - Earnings Per Share**

For the periods in which we had multiple classes of stock participating in earnings, we use the two-class method in calculating earnings per share. Basic earnings per share of Class A and Class C common stock is computed by dividing net income attributable to ZoomInfo Technologies Inc. by the weighted-average number of shares of Class A and Class C common stock outstanding during the period. Diluted earnings per share of Class A and Class C common stock is computed by dividing net income attributable to ZoomInfo Technologies Inc., adjusted for the assumed exchange of all potentially dilutive instruments for Class A common stock, by the weighted-average number of shares of Class A and Class C common stock outstanding, adjusted to give effect to potentially dilutive elements. As of the fourth quarter of 2021, as a result of the Holding Company Reorganization discussed in Note 1 - Organization and Background, the only remaining class of common stock issued and outstanding was the Class A common stock, and as such, the two-class method is not presented for subsequent periods. As previously discussed, in May 2022, following approval by the Company's stockholders, the Company further amended and restated its Amended and Restated Certificate of Incorporation to eliminate the multiple classes of common stock and to rename the Company's Class A common stock to "Common Stock."

**Note 13 - Earnings Per Share (continued)**

The following table sets forth reconciliations of the numerators and denominators used (in millions) to compute basic and diluted earnings (loss) per share of Class A and Class C (as applicable) common stock for the three and nine months ended September 30, 2022 and 2021.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Numerator:</b>				
Net income (loss)	\$ 17.9	\$ (40.9)	\$ 40.0	\$ (50.3)
Add: Net (income) loss attributable to noncontrolling interests	—	0.3	—	22.2
Net income (loss) attributable to ZoomInfo Technologies Inc.	\$ 17.9	\$ (40.6)	\$ 40.0	\$ (28.1)

The following tables set forth the computation of basic and diluted net income per share of Class A and Class C (as applicable) common stock (in millions, except share and per share amounts):

	Three Months Ended	Nine Months Ended
	September 30, 2022	September 30, 2022
	Common Stock	Common Stock
<b>Basic net income (loss) per share attributable to common stockholders</b>		
<b>Numerator:</b>		
Allocation of net income (loss) attributable to ZoomInfo Technologies Inc.	\$ 17.9	\$ 40.0
<b>Denominator:</b>		
Weighted average number of shares of Common Stock outstanding	401,961,947	401,093,021
Basic net income (loss) per share attributable to common stockholders	\$ 0.04	\$ 0.10
<b>Diluted net income (loss) per share attributable to common stockholders</b>		
<b>Numerator:</b>		
Allocation of undistributed earnings	\$ 17.9	\$ 40.0
<b>Denominator:</b>		
Number of shares used in basic computation	401,961,947	401,093,021
Add: weighted-average effect of dilutive securities exchangeable for Common Stock:		
Restricted Stock Awards	1,208,236	1,932,054
Exercise of Common Stock Options	178,332	207,917
Employee Stock Purchase Plan	122,794	44,189
Weighted average shares of Common Stock outstanding used to calculate diluted net income (loss) per share	403,471,309	403,277,181
Diluted net income (loss) per share attributable to common stockholders	\$ 0.04	\$ 0.10

**Note 13 - Earnings Per Share (continued)**

	Three Months Ended September 30, 2021		Nine Months Ended September 30, 2021	
	Class A	Class C	Class A	Class C
<b>Basic net income (loss) per share attributable to common stockholders</b>				
<b>Numerator:</b>				
Allocation of net income (loss) attributable to ZoomInfo Technologies Inc.	\$ (33.2)	\$ (7.4)	\$ (18.6)	\$ (9.5)
<b>Denominator:</b>				
Weighted average number of shares of Class A and Class C common stock outstanding	215,012,710	48,273,078	139,840,047	71,058,293
Basic net income (loss) per share attributable to common stockholders	\$ (0.15)	\$ (0.15)	\$ (0.13)	\$ (0.13)
<b>Diluted net income (loss) per share attributable to common stockholders</b>				
<b>Numerator:</b>				
Undistributed earnings for basic computation	\$ (33.2)	\$ (7.4)	\$ (18.6)	\$ (9.5)
Increase in earnings attributable to common shareholders upon conversion of potentially dilutive instruments	(0.1)	—	—	—
Reallocation of undistributed earnings as a result of conversion of Class C to Class A shares	(7.4)	—	(9.5)	—
Allocation of undistributed earnings	\$ (40.7)	\$ (7.4)	\$ (28.1)	\$ (9.5)
<b>Denominator:</b>				
Number of shares used in basic computation	215,012,710	48,273,078	139,840,047	71,058,293
Add: weighted-average effect of dilutive securities exchangeable for Class A common stock:				
HSKB II Class 1 Units	121,059	—	—	—
HSKB II Phantom Units	592,801	—	—	—
Conversion of Class C to Class A common shares outstanding	48,273,078	—	71,058,293	—
Weighted average shares of Class A and Class C common stock outstanding used to calculate diluted net income (loss) per share	263,999,648	48,273,078	210,898,340	71,058,293
Diluted net income (loss) per share attributable to common stockholders	\$ (0.15)	\$ (0.15)	\$ (0.13)	\$ (0.13)

Shares of the Company's Class B common stock did not participate in the earnings or losses of ZoomInfo Technologies Inc. and were 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. Shares of the Company's Class A common stock were renamed "Common Stock" effective May 23, 2022.

**Note 13 - Earnings Per Share (continued)**

The following weighted-average potentially dilutive securities were evaluated under the treasury stock method for potentially dilutive effects and have been excluded from diluted net loss per share in the periods presented due to their anti-dilutive effect:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
OpCo Units	—	122,610,642	—	170,523,418
Class P Units	—	9,047,255	—	10,241,645
HSKB I Class 1 Units	—	4,801,519	—	6,653,534
HSKB II Class 1 Units	—	—	—	301,339
HSKB II Phantom Units	—	—	—	1,082,296
HoldCo Units	—	700,241	—	1,184,900
Restricted Stock Awards	—	582,263	—	194,088
Restricted Stock Units	9,415,559	454,718	7,471,569	324,043
LTIP Units	—	101,666	—	41,181
Exercise of Class A Common Stock Options	—	308,593	—	294,179
<b>Total anti-dilutive securities</b>	<b>9,415,559</b>	<b>138,606,897</b>	<b>7,471,569</b>	<b>190,840,623</b>

**Note 14 - Leases**

The Company has operating leases for corporate offices under non-cancelable agreements with various expiration dates. Our leases do not have significant rent escalation, holidays, concessions, material residual value guarantees, material restrictive covenants, or contingent rent provisions. Our leases include both lease (e.g., fixed payments including rent, taxes, and insurance costs) and non-lease components (e.g., common-area or other maintenance costs) which are accounted for as a single lease component. In addition, we have elected the practical expedient to exclude short-term leases, which have an original lease term of one year or less, from our right-of-use assets and lease liabilities as well as the package of practical expedients relating to adoption of Topic 842.

The Company subleases two offices. The subleases have remaining lease terms of less than nine years. Sublease income, which is recorded as a reduction of rent expense and allocated to the appropriate financial statement line items to arrive at *Income (loss) from operations* on our Consolidated Statements of Operations, was immaterial for the three and nine months ended September 30, 2022 and 2021.

The following are additional details related to operating leases recorded on our Condensed Consolidated Balance Sheets as of September 30, 2022 and December 31, 2021:

	September 30,		December 31,	
	2022		2021	
<i>(in millions)</i>				
<b>Assets</b>				
Operating lease right-of-use assets, net	\$	65.4	\$	59.8
<b>Liabilities</b>				
Current portion of operating lease liabilities	\$	10.5	\$	8.1
Operating lease liabilities, net of current portion	\$	69.6	\$	61.5

Rent expense was \$2.8 million and \$2.9 million for the three months ended September 30, 2022 and 2021, respectively. Rent expense was \$9.6 million and \$8.1 million for the nine months ended September 30, 2022 and 2021, respectively.



**Note 14 - Leases (continued)**

Other information related to leases was as follows:

(in millions)

<b>Supplemental Cash Flow Information</b>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 3.3	\$ 2.3	\$ 9.6	\$ 7.3
Cash received for tenant incentive reimbursement	\$ 5.0	\$ —	\$ 5.0	\$ —
<b>Lease liabilities arising from obtaining right-of-use assets</b>				
From acquisitions	\$ —	\$ 0.2	\$ —	\$ 0.2
From new and existing lease agreements and modifications	\$ 7.6	\$ —	\$ 11.3	\$ 37.5

	<b>As of</b>	
	<b>September 30, 2022</b>	<b>December 31, 2021</b>
<b>Weighted average remaining lease term (in years)</b>	11.7	9.6
<b>Weighted average discount rate</b>	5.4 %	4.4 %

The table below reconciles the undiscounted future minimum lease payments under non-cancelable leases to the total lease liabilities recognized as of September 30, 2022 (in millions):

<b>Year Ending December 31,</b>	<b>Operating Leases</b>
2022 (excluding nine months ended September 30, 2022)	\$ 4.8
2023	13.1
2024	11.5
2025	10.7
2026	8.1
Thereafter	59.8
<b>Total future minimum lease payments</b>	<b>108.0</b>
less effects of discounting	27.9
<b>Total lease liabilities</b>	<b>\$ 80.1</b>
<b>Reported as of September 30, 2022</b>	
Current portion of operating lease liabilities	\$ 10.5
Operating lease liabilities, net of current portion	69.6
<b>Total lease liabilities</b>	<b>\$ 80.1</b>

The table above does not include any legally binding minimum lease payments for leases signed but not yet commenced.

Expense associated with short term leases and variable lease costs were immaterial for the three and nine months ended September 30, 2022. The expense related to short-term leases reasonably reflected our short-term lease commitments.

**Note 14 - Leases (continued)****Recent Leasing Activity**

In the third quarter of 2022, the Company executed a sublease termination agreement for sublet office space in Waltham, Massachusetts. Pursuant to the termination agreement, the sublessee paid the Company a lease termination penalty in the amount of \$2.5 million. Additionally, this termination resulted in the impairment of the previously capitalized initial direct costs of \$1.4 million and the recognition of a gain of \$1.1 million as a reduction of rent expense and allocated to the appropriate financial statement line items to arrive at *Income (loss) from operations* on our Consolidated Statements of Operations. The Company executed an agreement to sublet the Waltham office space to a new tenant for the remainder of our lease term which commenced in September 2022. Sublease income will be recorded as a reduction of rent expense and allocated to the appropriate financial statement line items to arrive at *Income (loss) from operations* on our Consolidated Statements of Operations.

The Company's head lease for the sublet office space in Waltham provides for the option to extend for an additional five years which we were previously not reasonably certain to exercise. In connection with the subleasing activity detailed above, the Company reassessed the lease term of our sublet office space in Waltham and determined that the Company is reasonably certain of exercising the option. In July, the Company recorded a \$5.1 million increase in the operating lease right-of-use asset and a \$5.1 million increase in the lease liability.

During the nine months ended September 30, 2022, the Company executed a seven-year lease for office space in Ra'anana, Israel, with the rent payments for the first phase expected to commence at the earliest in July 2023, and the rent payments for the additional phases expected to commence between August 2023 and January 2024. Upon execution of the lease, the Company paid rent in advance of \$1.7 million. The lease contains two options to extend for an additional three and five years, respectively, for which the company is not reasonably certain of exercising as of September 30, 2022. The lease is subject to fixed rate rent with the addition of VAT and certain future increases of the Israel Consumer Price Index. The lease provides for \$13.8 million in tenant improvements. The Company determined that it is the accounting owner of all tenant improvements. As the commencement of this lease is expected to occur in the future, the Company has not recorded operating lease right-of-use assets or lease liabilities as of September 30, 2022.

Undiscounted lease payments under all leases executed and not yet commenced are anticipated to be \$340.9 million, which are not included in the tabular disclosure of undiscounted future minimum lease payments under non-cancelable leases above.

**Note 15 - Equity-based Compensation**

**2020 Omnibus Incentive Plan** - On May 27, 2020, the Board of Directors of the Company (the "Board") adopted the ZoomInfo Technologies Inc. 2020 Omnibus Incentive Plan (the "Omnibus Plan"). The Omnibus Plan provides for potential grants of the following awards with respect to shares of the Common Stock and OpCo Units: (i) incentive stock options qualified as such under U.S. federal income tax laws; (ii) non-qualified stock options or any other form of stock options; (iii) stock appreciation rights; (iv) Restricted Stock; (v) Restricted Stock Units; (vi) OpCo Units, and (vii) other equity-based and cash-based incentive awards as determined by the compensation committee of the Board or any properly delegated subcommittee.

The maximum aggregate number of shares of Common Stock that may be issued pursuant to awards under the Omnibus Plan shall not exceed 18,650,000 shares (including OpCo Units or other securities which have been issued under the plan and were converted into awards based on shares of common stock) (the "Plan Share Reserve"). The Omnibus Plan also contains a provision that will add an additional number of shares of Common Stock to the Plan Share Reserve on the first day of each year starting with January 1, 2021, equal to the lesser of (i) the positive difference between (x) 5% of the number of shares of Common Stock outstanding on the last day of the immediately preceding year, and (y) the Plan Share Reserve on the last day of the immediately preceding year, and (ii) a lower number of shares of Common Stock as may be determined by the Board.

The Company currently has equity-based compensation awards outstanding as follows: Restricted Stock Units, Common Stock Options, and Restricted Stock. In addition, the Company recognizes equity-based compensation expense from awards granted to employees as further described below under HSKB Incentive Units.

**Note 15 - Equity-based Compensation (continued)**

Except where indicated otherwise, the equity-based compensation awards described below are subject to time-based service requirements. For grants issued prior to June 2020, the service vesting condition is generally over four years with 50% vesting on the two years anniversary of the grant date of the award and the remainder vesting monthly thereafter. For awards made after May 2020 to existing employees, the service vesting condition is generally four years with 25% vesting on the one year anniversary of the grant date of the award and 6.25% vesting quarterly thereafter. For performance-based Restricted Stock Units issued in Q3 2022, the service vesting condition is one year and specified company performance targets. Certain additional grants have other vesting periods approved by the Compensation Committee of the Board.

**Restricted Stock Units**

Restricted Stock Unit activity was as follows during the periods indicated:

	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021
	Restricted Stock Units	Weighted Average Grant Date Fair Value	Restricted Stock Units
Unvested at beginning of period	4,853,795	\$ 56.74	985,398
Granted	6,516,786	\$ 46.81	2,719,862
Granted - performance-based	147,445	\$ 33.89	—
Vested	(821,561)	\$ 51.95	(291,536)
Forfeited	(1,280,906)	\$ 56.31	(199,968)
Unvested at end of period	9,415,559	\$ 49.99	3,213,756

**Restricted Stock**

During the year ended December 31, 2021, the Company issued shares of Restricted Stock in exchange for all unvested HoldCo Units, Class P Units, and LTIP Units owned directly by employees of the Company (refer to Note 1 - Organization and Background). The exchanged shares of Restricted Stock remain subject to the same service vesting requirements of the original units. Upon fulfillment of the original employment service conditions, the restrictions will be lifted, and the Restricted Stock will convert to unrestricted Common Stock.

Restricted Stock activity was as follows during the periods indicated:

	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021
	Restricted stock	Weighted Average Grant Date Fair Value	Restricted stock
Unvested at beginning of period	3,525,373	\$ 9.21	—
Exchanged HoldCo Units	—	\$ —	872,371
Exchanged Class P Units	—	\$ —	947,515
Vested	(2,005,106)	\$ 4.60	(385,120)
Forfeited	(266,394)	\$ 5.72	(926)
Unvested at end of period	1,253,873	\$ 17.32	1,433,840

**Note 15 - Equity-based Compensation (continued)**
**Common Stock Options**

Options activity was as follows during the period indicated:

	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021
	Options	Weighted Average Exercise Price	Options
Outstanding at beginning of period	417,085	\$ 21.00	552,440
Exercised	(56,219)	\$ 21.00	(64,519)
Expired	(7,935)	\$ 21.00	—
Forfeited	(20,485)	\$ 21.00	(20,191)
Outstanding at end of period	332,446	\$ 21.00	467,730

Options have a maximum contractual term of ten years. The aggregate intrinsic value and weighted average remaining contractual terms of Options outstanding and Options exercisable were as follows as of September 30, 2022.

	September 30, 2022
Aggregate intrinsic value (in millions)	
Unit Options outstanding	\$ 6.9
Unit Options exercisable	\$ 5.2
Weighted average remaining contractual term (in years)	
Unit Options outstanding	7.6 years
Unit Options exercisable	7.6 years

All Options outstanding were issued at the time of the IPO in 2020. No additional options have been issued to date. The fair value of Common Stock Options granted at the time of the IPO was determined using the Black-Scholes option pricing model. We estimated the future stock price volatility based on the volatility of a set of publicly traded comparable companies with a look back period consistent with the expected term. The estimated life for the units was based on the expected hold period of private equity owners. The risk-free rate is based on the rate for a U.S. government security with the same estimated life at the time of grant.

**Note 15 - Equity-based Compensation (continued)**
**HoldCo Units**

During the year ended December 31, 2021, ZoomInfo HoldCo waived the restriction on exchanges of unvested HoldCo Units on condition that such holders accept shares of our common stock subject to the same vesting terms as the corresponding exchanged HoldCo Units. Subsequently, all unvested HoldCo Units, along with the same number of corresponding shares of our Class B common stock held directly by employees of the Company were voluntarily exchanged for shares of Restricted Stock.

HoldCo Unit activity was as follows during the periods indicated:

	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021
	HoldCo Units	Weighted Average Grant Date Fair Value	HoldCo Units
Unvested at beginning of period	—	\$ —	1,214,105
Exchanged for Restricted Stock	—	\$ —	(872,371)
Vested	—	\$ —	(298,177)
Forfeited	—	\$ —	(43,557)
Unvested at end of period	—	\$ —	—

**Class P Units**

During the year ended December 31, 2021, the Company permitted employees to exercise the exchange rights on unvested Class P Units, pursuant to Board approval. Subsequently, the Company exercised the exchange rights on unvested Class P Units due to the Holding Company Reorganization (refer to Note 1 - Organization and Background). The recipients received a number of shares of Restricted Stock equal in value to the implied “spread value” of the corresponding Class P Units, calculated based on the excess of the public trading price of Class A common stock at the time of the exchange over the per unit participation threshold of such Class P Units. The shares of Restricted Stock received are subject to the same vesting terms as the corresponding exchanged unvested Class P units.

Class P Unit activity was as follows during the periods indicated:

	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021
	Class P Units	Weighted Average Participation Threshold	Class P Units
Unvested at beginning of period	—	\$ —	8,796,642
Exchanged for Restricted Stock	—	\$ —	(1,133,142)
Vested	—	\$ —	(4,506,931)
Forfeited	—	\$ —	(94,621)
Unvested at end of period	—	\$ —	3,061,948

**Note 15 - Equity-based Compensation (continued)****LTIP Units**

During the year ended December 31, 2021, the Company exercised the exchange rights on unvested LTIP Units due to the Holding Company Reorganization (refer to Note 1 - Organization and Background).

LTIP Unit activity was as follows during the periods indicated:

	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021
	LTIP Units	Weighted Average Participation Threshold	LTIP Units
Unvested at beginning of period	—	\$ —	47,620
Granted	—	\$ —	247,045
Unvested at end of period	—	\$ —	294,665

**OpCo Units**

There are no OpCo Units that are unvested and all vested OpCo Units have been converted into shares of our Common Stock due to the Holding Company Reorganization (refer to Note 1 - Organization and Background). There was no OpCo Unit activity during the nine months ended September 30, 2022 and 2021.

**Employee Stock Purchase Plan**

On June 3, 2020, the Board adopted the ZoomInfo Technologies Inc. 2020 Employee Stock Purchase Plan (the “ESPP”) that allows eligible employees to purchase shares of the Company’s common stock at a discounted price, through payroll deductions of up to 15% of their eligible compensation and the IRS allowable limit per calendar year. The Board’s Compensation Committee administers the ESPP, including with respect to the frequency and duration of offering periods, the maximum number of shares that an eligible employee may purchase during an offering period, and, subject to certain limitations set forth in the ESPP, the per-share purchase price. Currently, the maximum number of shares that can be purchased by an eligible employee under the ESPP is 1,500 shares per offering period and there are two six-month offering periods that begin in the second and fourth quarter of each fiscal year. The purchase price for one share of Common Stock under the ESPP is currently equal to 90% of the fair market value of one share of Common Stock on the first trading day of the offering period or the purchase date, whichever is lower.

The maximum aggregate number of shares of the Common Stock that may be issued under the ESPP is no more than 7,500,000 shares (the “ESPP Plan Share Reserve”). The ESPP plan also contains a provision that will add an additional number of shares of Common Stock to the ESPP Plan Reserve on the first day of each year starting with January 1, 2021, equal to the lesser of (i) the positive difference between (x) 1% of the number of shares of Common Stock outstanding on the last day of the immediately preceding fiscal year, and (y) the ESPP Plan Share Reserve on the last day of the immediately preceding fiscal year, and (ii) a lower number of shares of Common Stock as may be determined by the Board.

**Note 15 - Equity-based Compensation (continued)**

The fair value of the ESPP purchase was determined using the Black-Scholes option pricing model with the following assumption ranges and fair value per unit:

	Nine Months Ended September 30, 2022
Volatility	71.9%
Expected term	0.5 years
Risk-free rate	2.2%
Expected dividends	—%
Fair value per unit	\$9.56

The expected term for the purchases was based on the six-month offering period. We estimate the future stock price volatility based on the historical volatility of the Company with a lookback period commensurate with the expected term of the ESPP purchases. The risk-free rate is the implied yield available on U.S. Treasury zero-coupon bonds issued with a remaining term equal to the expected term.

The Company withheld \$2.3 million and \$2.9 million worth of ESPP contributions for the three and nine months ended September 30, 2022 on behalf of participating employees through payroll deductions included in *Accrued expenses and other current liabilities* on our Condensed Consolidated Balance Sheets. No shares of Common Stock were purchased under the ESPP for the three and nine months ended September 30, 2022. The Company recognized \$0.8 million and \$0.9 million of equity-based compensation expenses related to the ESPP for the three and nine months ended September 30, 2022.

**HSKB Incentive Units**

The founders of the Company contributed membership units of ZoomInfo OpCo into an upper tier entity, HSKB Funds, LLC, which is controlled by the current CEO of the Company (“HSKB Manager”). In connection with the Reorganization Transactions, HSKB was reorganized into HSKB I and HSKB II (together, “HSKB”), with HSKB I owning OpCo Units and HSKB II owning HoldCo Units.

During the year ended December 31, 2021, HSKB II exchanged their HoldCo Units and paired shares of Class B common stock of the Company for shares of Class A common stock of the Company pursuant to the terms of the limited liability company agreement of HoldCo. Subsequently, HSKB I exchanged their OpCo Units and paired shares of Class B common stock of the Company for shares of Class A common stock of the Company.

HSKB has issued LLC units to the employees of the Company (“HSKB Grant”) in the form of Class 1 units and Class 2 units. Such units may be exchangeable into one share of Common Stock upon vesting. HSKB awards are recorded as compensation expense of the Company in accordance with the measurement and recognition criteria of ASC 718 for awards made by economic interest holders to employees of the Company.

HSKB has also allocated \$31.3 million to be paid in cash over three years from 2019 to 2021 if the holder of an HSKB Grant remains employed by the Company as of the payment date. This pool was further expanded in March 31, 2020, when HSKB allocated an additional \$5.3 million to be paid out over three years, starting with March 31, 2020, to holders of HSKB Grants who received grants after the March 2018 Carlyle Investment, subject to the holder’s continued employment by the Company. During the nine months ended September 30, 2022, HSKB paid \$1.7 million from allocated funds and has \$1.1 million remaining to be paid through 2023.

**Note 15 - Equity-based Compensation (continued)****HSKB Phantom Units**

In December 2019, HSKB I adopted the HSKB Funds, LLC 2019 Phantom Unit Plan wherein HSKB may grant Phantom Units (“HSKB Phantom Units”) to employees of the Company. HSKB Phantom Units are recorded as compensation expense of the Company in accordance with the measurement and recognition criteria of ASC 718 for awards made by economic interest holders to employees of the Company. HSKB Phantom Units represent the economic equivalent of one share of common stock in the Company. In connection with the Reorganization Transactions, all HSKB Phantom Units were moved from HSKB I to HSKB II. Within 30 days of the later of the date upon which a Phantom Unit vests, HSKB II must settle the HSKB Phantom Unit in exchange for either (1) cash or (2) Common Stock as determined by the HSKB Manager, in each case, equal to the fair market value of such Common Unit at the time of such exchange.

**Unamortized Equity-based Compensation**

As of September 30, 2022, unamortized equity-based compensation costs related to each equity-based incentive award described above is the following:

<i>(\$ in millions, period in years)</i>	<b>Amount</b>	<b>Weighted Average Remaining Service Period</b>
Restricted Stock Units	\$ 383.1	2.6
Common Stock Options	0.2	0.9
Restricted Stock	11.7	1.3
HSKB Incentive Units	0.2	0.3
HSKB Phantom Units	13.8	2.8
Employee Stock Purchase Plan	0.6	0.2
Total unamortized equity-based compensation cost	<u>\$ 409.6</u>	2.6



## Note 16 - Tax Receivable Agreements

In connection with the Reorganization Transactions and the IPO, the Company entered into (i) the Exchange Tax Receivable Agreement with certain Pre-IPO OpCo Unitholders and (ii) the Reorganization Tax Receivable Agreement with the Pre-IPO Blocker Holders (collectively, the “Tax Receivable Agreements”). These Tax Receivable Agreements provide for the payment by the “ZoomInfo Tax Group” to such Pre-IPO Owners and certain Pre-IPO HoldCo Unitholders of 85.0% of the benefits, if any, the ZoomInfo Tax Group actually realizes, or is deemed to realize in certain circumstances, as a result of certain tax attributes and benefits covered by the Tax Receivable Agreements. The Exchange Tax Receivable Agreement provides for the payment by members of the ZoomInfo Tax Group to certain Pre-IPO OpCo Unitholders and certain Pre-IPO HoldCo Unitholders of 85.0% of the benefits, if any, that the ZoomInfo Tax Group realizes as a result of (i) the ZoomInfo Tax Group’s allocable share of existing tax basis acquired in the IPO and (ii) increases in the ZoomInfo Tax Group’s allocable share of existing tax basis and tax basis adjustments that will increase the tax basis of the tangible and intangible assets of the ZoomInfo Tax Group as a result of sales or exchanges of OpCo Units for shares of common stock after the IPO, and certain other tax benefits, including tax benefits attributable to payments under the Exchange Tax Receivable Agreement. During the three months ended December 31, 2021, all remaining units subject to the Exchange Tax Receivable Agreement had been converted into Class A common stock. The Reorganization Tax Receivable Agreement provides for the payment by ZoomInfo Intermediate Inc. to the Pre-IPO Blocker Holders and certain Pre-IPO HoldCo Unitholders of 85.0% of the benefits, if any, that the ZoomInfo Tax Group realizes as a result of the ZoomInfo Tax Group’s utilization of certain tax attributes of the Blocker Companies (including the ZoomInfo Tax Group’s allocable share of existing tax basis acquired in the Reorganization Transactions), and certain other tax benefits, including tax benefits attributable to payments under the Reorganization Tax Receivable Agreement. The Company expects to benefit from the remaining 15.0% of any of cash savings that it realizes.

The Company reflected an increase in its share of the tax basis in the net assets of ZoomInfo HoldCo when OpCo Units were exchanged by Pre-IPO OpCo Unitholders. The Company treats any redemptions and exchanges of OpCo Units as direct purchases for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that it would otherwise pay 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.

As of September 30, 2022, the Company had a liability of \$3,042.0 million related to its projected obligations under the Tax Receivable Agreements in connection with the Reorganization Transactions and OpCo Units exchanged. Tax Receivable Agreements related liabilities are classified as current or noncurrent based on the expected date of payment and are included on our Condensed Consolidated Balance Sheets under the captions *Current portion of tax receivable agreements liability* and *Tax receivable agreements liability, net of current portion*, respectively. During the nine months ended September 30, 2022, we paid a total of \$5.0 million pursuant to the Tax Receivable Agreements. During the nine months ended September 30, 2022, we recognized a TRA measurement gain of \$9.5 million principally due to legislation passed in Q3 2022 that impacted our blended state tax rate, as well as updates to tax attributes, within *Other (income) expense, net* on our Consolidated Statements of Operations.

## Note 17 - Income Taxes

The Company recorded \$32.1 million of income tax expense and \$45.5 million of income tax expense for the three months ended September 30, 2022 and 2021, respectively, and \$55.6 million of income tax expense and \$101.4 million of income tax expense for the nine months ended September 30, 2022 and 2021, respectively. The Company’s estimated effective tax rate for the nine months ended September 30, 2022 was 58.1%. The Company’s estimated annual effective tax rate differs from the U.S. federal statutory rate of 21.0% as it reflects applicable U.S. state taxes and foreign taxes, inclusive of research and development credits. Furthermore, the Company’s annual effective rate considers the impact of state law changes and certain compensation expenses that will not have a corresponding deduction for tax.

The Company does not believe it has any significant uncertain tax positions and therefore has no unrecognized tax benefits as of September 30, 2022, that if recognized, would affect the annual effective tax rate.

## 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 the financial statements and related notes included in our 2021 Form 10-K, the information included under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our 2021 Form 10-K, and the unaudited consolidated financial statements and related notes included in Part I, Item 1 of this Form 10-Q. In addition to historical data, the following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed in our forward-looking statements as a result of various factors, including but not limited to those discussed under “Cautionary Statement Regarding Forward-Looking Statements” in this Form 10-Q and under “Risk Factors” in Part I, Item 1A of our 2021 Form 10-K.*

*References in this Form 10-Q to “ZoomInfo Technologies Inc.” refer to ZoomInfo Technologies Inc. and not to any of its subsidiaries unless the context indicates otherwise. References in this Form 10-Q to “ZoomInfo,” the “Company,” “we,” “us,” and “our” refer (1) prior to the consummation of the Reorganization Transactions, to ZoomInfo OpCo and its consolidated subsidiaries, and (2) after the consummation of the Reorganization Transactions, to ZoomInfo Technologies Inc. and its consolidated subsidiaries unless the context indicates otherwise. Numerical figures included in this Form 10-Q have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.*

### Overview

ZoomInfo is a global leader in modern go-to-market software, data, and intelligence for sales, marketing, operations, and recruiting professionals.

RevOS – our modern, cloud-based operating system for revenue professionals – allows sales, marketing, operations, and recruiting teams to shorten sales cycles and increase win rates by delivering the right message to the right person at the right time, in the right way. We do this by delivering timely competitive intelligence and offering services that make reaching prospects fast and easy.

ZoomInfo, formerly known as DiscoverOrg, was co-founded in 2007 by Founder and CEO Henry Schuck. He has led the company’s growth by developing innovative ways of gathering and improving our data and insights and using intelligent automation to put those insights into action.

Today, our company defines the modern go-to-market technology stack across three distinct layers that build upon each other:

- Our Intelligence Layer is the foundation of our data-driven strategies. Our best-in-class data, curated through first- and third-party sources, includes billions of data points about companies and contacts, such as intent, hierarchy, location, and financial information.
- Our Orchestration Layer stitches together and enriches our data sources. At this stage, our products assign and route data, leads, and insights to the appropriate people. This creates a “living” dataset that is continuously updated and can be used to power automated business workflows. Our services connect with major CRM providers.

- Our Engagement Layer allows sales, marketing, operations, and recruiting professionals to put data-driven insights into action to identify and communicate with prospects and customers. In SalesOS, frontline teams, managers, and leaders use Engage for multi-touch and multi-channel sales engagement, as well as Chorus for call and web meeting recording, transcription, insight generation, and coaching. In MarketingOS, marketers drive awareness, lead generation, and deal acceleration campaigns through account-based marketing, advertising, and onsite conversion optimization solutions, along with ZoomInfo Chat for intelligent onsite experiences through live conversation and chatbots. In TalentOS, recruiters and talent acquisition professionals access a database that helps them find the needles in the haystack. Recruiters can filter and reach more good-fit candidates, use pipeline management tools to collaborate and organize the hiring process, and automate the candidate outreach process. In Operations OS, our sales operations customers use a suite of products, services, and solutions to ingest, match, enrich, and connect data feeds into multiple systems.

We generate substantially all of our revenue from sales of subscriptions to our platform. Subscriptions include the use of our platforms and access to customer support. Subscriptions generally range from one to three years in length. More than 35% of customer contracts (based on annualized value) are multi-year agreements. We typically bill our customers at the beginning of each annual, semi-annual, or quarterly period and recognize revenue ratably over the term of the subscription period.

We sell our software to both new and existing customers. We price our subscriptions based on the functionality, users, and records under management that are included in each product edition. Our paid platforms are SalesOS, MarketingOS, OperationsOS, and TalentOS (with add-on options for some platforms), and we have a free Community Edition.

## **Recent Developments**

### ***COVID-19***

The ongoing COVID-19 pandemic continues to have unpredictable and rapidly shifting impacts on global financial markets, economies, and business practices. The extent and continued impact of the pandemic on our operational and financial condition will depend on certain developments, including, but not limited to: the duration and spread of the outbreak, including the impact of new variants of the COVID-19 virus; global government responses to the pandemic, including continued vaccine availability, deployment, and efficacy; the impact on the health and welfare of our employees and their families; the impact on our customers and our sales cycles; the impact on customer, industry, or employee events; delays in hiring and onboarding new employees; and the effects on our partners, vendors, the labor market, and supply chains, all of which are uncertain and cannot be predicted. Furthermore, because of our largely subscription-based business model, the effect of the pandemic may not be fully reflected in our results of operations and overall financial condition until future periods, if at all.

To address the safety and health of our employees during the pandemic, in the first quarter of 2020, we temporarily closed all of our offices and enabled our entire workforce to work remotely. Throughout 2021 and 2022, most of our workforce continued to work remotely voluntarily. The impact, if any, of these and any additional operational changes we may implement is uncertain, but changes we have implemented to date have not affected, and are not expected to materially affect, our ability to maintain operations, including financial reporting systems, internal control over financial reporting, and disclosure controls and procedures. See “Human Capital” in Part I, Item 1 and “Risk Factors” in Part I, Item 1A of our 2021 Form 10-K.

### ***Corporate Structure Simplification Transactions***

In August 2021, the Company completed a series of reorganization transactions to simplify its corporate structure, including the distribution of shares of common stock of RKSI Acquisition Corp (“RKSI”) from ZoomInfo Holdings LLC to ZoomInfo HoldCo, the merger of RKSI with and into ZoomInfo HoldCo with ZoomInfo HoldCo surviving, and the merger of ZoomInfo HoldCo with and into the Company with the Company surviving. Prior to the consummation of the HoldCo Merger, all holders of HoldCo Units (other than the Company) exchanged their HoldCo Units and paired shares of Class B common stock of the Company for shares of Class A common stock of the Company pursuant to the terms of the limited liability company agreement of ZoomInfo HoldCo.

### ***UP-C Corporate Structure and Multi-Class Voting Structure Elimination***

In September 2021, the Board of Directors unanimously approved streamlining the Company’s corporate structure and governance by eliminating the Company’s umbrella partnership-C-corporation (“UP-C”) and multi-class voting structure. In October 2021, the Company implemented this reorganization, pursuant to which (i) a subsidiary of ZoomInfo Technologies Inc. (formerly known as ZoomInfo NewCo Inc.) (“New ZoomInfo”) merged with and into ZoomInfo Intermediate Inc. (“Old ZoomInfo”), formerly known as ZoomInfo Technologies Inc., which resulted in New ZoomInfo becoming the direct parent company of Old ZoomInfo, and (ii) immediately thereafter, another subsidiary of New ZoomInfo merged with and into ZoomInfo Holdings LLC (“ZoomInfo OpCo”), which resulted in ZoomInfo OpCo becoming a subsidiary of New ZoomInfo (the combined transaction described in (i) and (ii), the “Holding Company Reorganization”). As a result of the Holding Company Reorganization, New ZoomInfo became the successor issuer and reporting company to Old ZoomInfo pursuant to Rule 12g-3(a) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and replaced the Predecessor Registrant as the public company trading on the Nasdaq Global Select Market (the “Nasdaq”) under the ticker symbol “ZI.”

After the consummation of the Holding Company Reorganization, the only class of common stock of the New ZoomInfo remaining issued and outstanding was the Class A common stock and all shares of Class B common stock were cancelled and all shares of Class C common stock were converted to Class A common stock. In May 2022, following approval by the Company’s stockholders, the Company further amended and restated its Amended and Restated Certification of Incorporation to eliminate the multiple classes of common stock and to rename the Company’s Class A common stock as “Common Stock.”

### ***Acquisitions***

On April 1, 2022, the Company acquired all of the outstanding equity interests of Comparably and acquired substantially all the assets and certain specified liabilities of Dogpatch for a total purchase consideration of \$150.6 million in cash and \$10.0 million in a convertible note receivable. The Company has included the financial results of these businesses in the consolidated financial statements from the date of acquisition. The purchase accounting for both transactions is not finalized. Refer to Note 4 - Business Combinations for additional information.

### ***Key Factors Affecting Our Performance***

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

#### ***Continuing to Acquire New Customers***

We are focused on continuing to grow the number of customers that use our platform. The majority of revenue growth when comparing the three months ended September 30, 2022 to the three months ended September 30, 2021 was the result of new customers added over the last 12 months. Our operating results and growth prospects will depend in part on our ability to continue to attract new customers. Additionally, acquiring new customers strengthens the power of our contributory network. We plan to continue to invest in our efficient go-to-market effort to acquire new customers.

### ***Delivering Additional High-Value Solutions to Our Existing Customers***

Many of our customers purchase additional high-value solutions as they expand their use of our platform. Customers add additional services and/or upgrade their platform. We believe there is a significant opportunity for expansion with our existing customers through additional solutions.

### ***Expanding Relationships with Existing Customers***

Many of our customers increase spending with us by adding users or integrating incremental data as they increase their use of our platform. Several of our largest customers have expanded the deployment of our platform across their organizations following their initial deployment. We believe there is a significant opportunity to add additional users and data integration within our existing customers.

We believe that expanding the value that we provide to our customers and the corresponding revenue generated as a result is an important measure of the health of our business. We monitor net revenue retention to measure that growth. Net revenue retention is an annual metric that we calculate based on customers that were contracted for services at the beginning of the year, or, for those that became customers through an acquisition, at the time of the acquisition. Net revenue retention is calculated as: (a) the annual contract value ("ACV") for those customers at the end of the year divided by (b) ZoomInfo ACV at the beginning of the year plus the ACV of acquired companies at the time of acquisition. Our net annual retention rate was 116% for the year ended December 31, 2021. We also measure our success in expanding relationships with existing customers by the number of customers that contract for more than \$100,000 in ACV. As of September 30, 2022, we had 1,848 customers with over \$100,000 in ACV.

### ***Factors Affecting the Comparability of Our Results of Operations***

As a result of a number of factors, our historical results of operations are not comparable from period to period and may not be comparable to our financial results of operations in future periods. Set forth below is a brief discussion of the key factors impacting the comparability of our results of operations.

### ***Impact of the Reorganization Transactions***

ZoomInfo Technologies Inc. is a corporation for U.S. federal and state income tax purposes. Our accounting predecessor, ZoomInfo OpCo, was and is treated as a flow-through entity for U.S. federal income tax purposes, and as such, only certain subsidiaries that were organized as corporations for U.S. federal income tax purposes have been subject to U.S. federal income tax at the entity level historically. Accordingly, unless otherwise specified, the historical results of operations and other financial information set forth in this Form 10-Q only include a provision for U.S. federal income tax for income allocated to those subsidiaries that were organized as corporations for U.S. federal income tax purposes. Following the completion of the Reorganization Transactions, ZoomInfo Technologies Inc. pays U.S. federal and state income taxes as a corporation on its share of our taxable income.

ZoomInfo OpCo is the predecessor of ZoomInfo Technologies Inc. for financial reporting purposes. As a result, the consolidated financial statements of ZoomInfo Technologies Inc. recognize the assets and liabilities received in the reorganization at their historical carrying amounts, as reflected in the historical consolidated financial statements of ZoomInfo OpCo, the accounting predecessor.

In addition, in connection with the Reorganization Transactions and the IPO, we entered into the tax receivable agreements described in Note 17 - Income Taxes to our unaudited consolidated financial statements included in Part I, Item 1 of this Form 10-Q.

### ***Initial Public Offering***

In June 2020, the Company completed its IPO which significantly impacted our cash, first and second lien indebtedness, and temporary and permanent equity balances. The IPO, which enabled the associated first and second lien term loan repayments, significantly reduced our interest expense relative to historical results.

### ***Impact of Acquisitions***

We seek to grow through both internal development and the acquisition of businesses that broaden and strengthen our platform. Our recent acquisitions include Insent in June 2021, Chorus.ai in July 2021, RingLead in September 2021, and Comparably, Inc. and Dogpatch Advisors, LLC in April 2022. As discussed below under “—Results of Operations,” these acquisitions have been a driver of our revenue, cost of service, operating expense, and interest expense growth. Purchase accounting requires that all assets acquired and liabilities assumed be recorded at fair value on the acquisition date, including unearned revenue. Revenue from contracts that are impacted by the estimate of fair value of the unearned revenue upon acquisition will be recorded based on the fair value until such contract is terminated or renewed, which will differ from the receipts received by the acquired company allocated over the service period for the same reporting periods.

### ***Impact of the Holding Company Reorganization***

In September 2021, the Board of Directors unanimously approved streamlining the Company’s corporate structure and governance by eliminating the Company’s UP-C and multi-class voting structure. In October 2021, the Company implemented the Holding Company Reorganization. As a result of the Holding Company Reorganization, New ZoomInfo became the successor issuer and reporting company to Old ZoomInfo pursuant to Rule 12g-3(a) under the Exchange Act, and replaced Old ZoomInfo as the public company trading on the Nasdaq under Old ZoomInfo’s ticker symbol “ZI.” In addition, New ZoomInfo changed its name to “ZoomInfo Technologies Inc.” and Old ZoomInfo changed its name to “ZoomInfo Intermediate Inc.”

Accordingly, upon consummation of the Holding Company Reorganization, Old ZoomInfo stockholders automatically became stockholders of New ZoomInfo, on a one-for-one basis, with the same number and ownership percentage of shares they held in Old ZoomInfo immediately prior to the effective time of the Holding Company Reorganization.

Old ZoomInfo is the predecessor of New ZoomInfo for financial reporting purposes. As a result, the consolidated financial statements of New ZoomInfo recognize the assets and liabilities received in the reorganization at their historical carrying amounts, as reflected in the historical consolidated financial statements of Old ZoomInfo, the accounting predecessor.

### ***Non-GAAP Financial Measures***

In addition to our results determined in accordance with U.S. GAAP, we believe certain non-GAAP measures are useful in evaluating our operating performance. These measures include, but are not limited to, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per diluted share and are used by management in making operating decisions, allocating financial resources, internal planning and forecasting, and for business strategy purposes. We believe that non-GAAP financial information is useful to investors because it eliminates certain items that affect period-over-period comparability, and it provides 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 Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per diluted share as operating performance measures. We believe that the most directly comparable U.S. GAAP financial measure to Adjusted Operating Income is U.S. GAAP operating income. We believe that the most directly comparable U.S. GAAP financial measure to Adjusted Operating Income Margin is U.S. GAAP operating income divided by U.S. GAAP revenue. We believe that the most directly comparable U.S. GAAP financial measure to Adjusted EBITDA and Adjusted Net Income is U.S. GAAP Net Income, and the most directly comparable U.S. GAAP financial measure to Adjusted Net Income per diluted share is U.S. GAAP net earnings per diluted share.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for the comparable GAAP measures, but rather as supplemental information to our business results. 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 Operating Income, Adjusted Operating Income Margin, and Adjusted Net Income***

We define Adjusted Operating Income as income from operations plus (i) impact of fair value adjustments to acquired unearned revenue, (ii) amortization of acquired technology and other acquired intangibles, (iii) equity-based compensation expense, (iv) restructuring and transaction-related expenses, and (v) integration costs and acquisition-related compensation. We exclude the impact of fair value adjustments to acquired unearned revenue and amortization of acquired technology and other acquired intangibles, as well as equity-based compensation, because these are non-cash expenses or non-cash fair value adjustments and we believe that excluding these items provides meaningful supplemental information regarding performance and ongoing cash-generation potential. We exclude restructuring and transaction-related expenses, as well as integration costs and acquisition-related compensation, because such expenses are episodic in nature and have no direct correlation to the cost of operating our business on an ongoing basis. Adjusted Operating Income is presented because it is used by management to evaluate our financial performance and for planning and forecasting purposes. Additionally, we believe that it and similar measures are widely used by securities analysts and investors as a means of evaluating a company's operating performance. Adjusted Operating Income should not be considered as an alternative to operating income as an indicator of operating performance.

We define Adjusted Net Income as Adjusted Operating Income less (i) interest expense, net (ii) other (income) expense, net, excluding TRA liability remeasurement expense (benefit) and (iii) income tax expense (benefit) including incremental tax effects of adjustments to arrive at Adjusted Operating Income and current tax benefits related to the TRA. Adjusted Net Income is presented because it is used by management to evaluate our financial performance and for planning and forecasting purposes. Additionally, we believe that it and similar measures are widely used by securities analysts and investors as a means of evaluating a company's operating performance. Adjusted Net Income should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to operating income or net income as indicators of operating performance.

The following table presents a reconciliation of *Net income (loss)* to Adjusted Net Income and *Income (loss) from operations* to Adjusted Operating Income for the periods presented:

(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Net income (loss)</b>	\$ 17.9	\$ (40.9)	\$ 40.0	\$ (50.3)
Add (less): Expense (benefit) from income taxes	32.1	45.5	55.6	101.4
Add: Interest expense, net	11.6	13.9	35.1	30.5
Add: Loss on debt modification and extinguishment	—	1.8	—	7.7
Add (less): Other expense (income), net <sup>(a)</sup>	(9.8)	(0.1)	(7.0)	(0.2)
<b>Income (loss) from operations</b>	\$ 51.8	\$ 20.2	\$ 123.7	\$ 89.1
Add: Impact of fair value adjustments to acquired unearned revenue <sup>(b)</sup>	0.2	1.6	2.0	2.7
Add: Amortization of acquired technology	12.3	10.7	35.8	24.2
Add: Amortization of other acquired intangibles	5.6	5.4	16.5	15.0
Add: Equity-based compensation	48.1	24.5	137.6	59.7
Add: Restructuring and transaction-related expenses <sup>(c)</sup>	0.2	11.0	3.8	17.6
Add: Integration costs and acquisition-related expenses <sup>(d)</sup>	0.1	5.1	1.6	12.0
<b>Adjusted Operating Income</b>	\$ 118.4	\$ 78.4	\$ 320.9	\$ 220.2
Less: Interest expense, net	(11.6)	(13.9)	(35.1)	(30.5)
Less (add): Other expense (income), net, excluding TRA liability remeasurement (benefit) expense	(0.6)	0.1	(2.4)	0.1
Add (less): Benefit (expense) from income taxes	(32.1)	(45.5)	(55.6)	(101.4)
Add (less): Tax impacts of adjustments to net income (loss)	22.7	31.8	27.0	69.5
<b>Adjusted Net Income</b>	\$ 96.8	\$ 50.7	\$ 254.7	\$ 157.8
Shares for Adjusted Net Income Per Share <sup>(e)</sup>	411	406	410	405
<b>Adjusted Net Income Per Share</b>	\$ 0.24	\$ 0.13	\$ 0.62	\$ 0.39

(a) Primarily represents revaluations on tax receivable agreement liability and foreign exchange remeasurement gains and losses.

(b) Represents the impact of fair value adjustments to acquired unearned revenue relating to services billed by an acquired company, prior to our acquisition of that company. These adjustments represent the difference between the revenue recognized based on management's estimate of fair value of acquired unearned revenue and the receipts billed prior to the acquisition less revenue recognized prior to the acquisition.

(c) Represents costs directly associated with acquisition or disposal activities, including employee severance and termination benefits, contract termination fees and penalties, and other exit or disposal costs. For the three and nine months ended September 30, 2022, this expense related primarily to transition and retention payments related to 2021 and 2022 acquisitions. For the three and nine months ended September 30, 2021, this expense related primarily to cost incurred related to 2021 acquisitions, as well as impairment and accelerated depreciation related to the Company's Waltham office relocation.



- (d) Represents costs directly associated with integration activities for acquisitions and acquisition-related compensation, which includes transaction bonuses and retention awards. For the three and nine months ended September 30, 2022, this expense related to retention awards from the acquisitions of Clickagy, Everstring, and Insent, and professional fees relating to integration projects. For the three and nine months ended September 30, 2021, this expense related to retention awards from the acquisitions of Clickagy and Everstring, as well as cash vesting payments from the acquisition of Pre-Acquisition ZI. This expense is included in cost of service, sales and marketing expense, research and development expense, and general and administrative expense as follows:

(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of service	\$ —	\$ 0.6	\$ 0.2	\$ 1.8
Sales and marketing	—	1.9	0.5	2.9
Research and development	0.1	1.7	0.5	5.4
General and administrative	—	0.8	0.3	1.8
<b>Total integration costs and acquisition-related compensation</b>	<b>\$ 0.1</b>	<b>\$ 5.1</b>	<b>\$ 1.6</b>	<b>\$ 12.0</b>

- (e) Diluted earnings per share is computed by giving effect to all potential weighted average Common Stock, and any securities that are convertible into Common Stock, including options and restricted stock units. The dilutive effect of outstanding awards and convertible securities is reflected in diluted earnings per share by application of the treasury stock method, excluding deemed repurchases assuming proceeds from unrecognized compensation as required by GAAP. Shares and grants issued in conjunction with the IPO were assumed to be issued at the beginning of the period.

We define Adjusted Operating Income Margin as Adjusted Operating Income divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Income (loss) from operations</b>	\$ 51.8	\$ 20.2	\$ 123.7	\$ 89.1
<b>Adjusted Operating Income</b>	\$ 118.4	\$ 78.4	\$ 320.9	\$ 220.2
<b>Revenue</b>	\$ 287.6	\$ 197.6	\$ 796.4	\$ 524.9
Impact of fair value adjustments to acquired unearned revenue	0.2	1.6	2.0	2.7
Revenue for adjusted operating margin calculation	\$ 287.8	\$ 199.2	\$ 798.4	\$ 527.5
<b>Operating Income Margin</b>	<b>18 %</b>	<b>10 %</b>	<b>16 %</b>	<b>17 %</b>
<b>Adjusted Operating Income Margin</b>	<b>41 %</b>	<b>39 %</b>	<b>40 %</b>	<b>42 %</b>

Adjusted Operating Income for the three months ended September 30, 2022 was \$118.4 million and represented an Adjusted Operating Income Margin of 41%. Adjusted Operating Income for the three months ended September 30, 2021 was \$78.4 million and represented an Adjusted Operating Income Margin of 39%. The increase of \$40.0 million, or 51%, was driven primarily from the growth in revenue driven by additional customers and increasing revenue from existing customers. Adjusted Operating Income Margin increased to 41% in the three months ended September 30, 2022 from 39% in the three months ended September 30, 2021 due to realization of operating leverage, strengthening U.S. Dollar, and other efficiencies enabled by acquisitions.

Adjusted Operating Income for the nine months ended September 30, 2022 was \$320.9 million and represented an Adjusted Operating Income Margin of 40%. Adjusted Operating Income for the nine months ended September 30, 2021 was \$220.2 million and represented an Adjusted Operating Income Margin of 42%. The increase of \$100.7 million, or 46%, was driven primarily from the growth in revenue driven by additional customers and increasing revenue from existing customers. Adjusted Operating Income Margin decreased to 40% in the nine months ended September 30, 2022 from 42% in the nine months ended September 30, 2021 due to incremental investment in research & development relative to sales related to new services and acquisitions and incremental investment in sales & marketing capacity that has helped accelerate revenue growth, as well as general and administration costs to support incremental public company related requirements.

### Adjusted EBITDA

EBITDA is defined as earnings before debt-related costs, including interest and loss on debt modification and extinguishment, provision for taxes, depreciation, and amortization. Management further adjusts EBITDA to exclude certain items of a significant or unusual nature, including other (income) expense, net, impact of certain non-cash items, such as fair value adjustments to acquired unearned revenue and equity-based compensation, restructuring and transaction-related expenses, and integration costs and acquisition-related compensation. We exclude these items because these are non-cash expenses or non-cash fair value adjustments, which we do not consider indicative of performance and ongoing cash-generation potential or are episodic in nature and have no direct correlation to the cost of operating our business on an ongoing basis. Adjusted EBITDA is presented because it is used by management to evaluate our financial performance and for planning and forecasting purposes. Additionally, we believe that it and similar measures are widely used by securities analysts and investors as a means of evaluating a company's operating performance. Adjusted EBITDA should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to operating income or net income as indicators of operating performance.

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

(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Net income (loss)</b>	\$ 17.9	\$ (40.9)	\$ 40.0	\$ (50.3)
Add (less): Expense (benefit) from income taxes	32.1	45.5	55.6	101.4
Add: Interest expense, net	11.6	13.9	35.1	30.5
Add: Loss on debt modification and extinguishment	—	1.8	—	7.7
Add: Depreciation	4.8	2.9	12.9	10.4
Add: Amortization of acquired technology	12.3	10.7	35.8	24.2
Add: Amortization of other acquired intangibles	5.6	5.4	16.5	15.0
<b>EBITDA</b>	\$ 84.3	\$ 39.3	\$ 195.9	\$ 138.9
Add (less): Other expense (income), net <sup>(a)</sup>	(9.8)	(0.1)	(7.0)	(0.2)
Add: Impact of fair value adjustments to acquired unearned revenue <sup>(b)</sup>	0.2	1.6	2.0	2.7
Add: Equity-based compensation expense	48.1	24.5	137.6	59.7
Add: Restructuring and transaction related expenses (excluding depreciation) <sup>(c)</sup>	0.2	11.0	3.8	15.6
Add: Integration costs and acquisition-related expenses <sup>(d)</sup>	0.1	5.1	1.6	12.0
<b>Adjusted EBITDA</b>	\$ 123.2	\$ 81.3	\$ 333.7	\$ 228.6

(a) Primarily represents revaluations on tax receivable agreement liability and foreign exchange remeasurement gains and losses.

(b) Represents the impact of fair value adjustments to acquired unearned revenue relating to services billed by an acquired company, prior to our acquisition of that company. These adjustments represent the difference between the revenue recognized based on management's estimate of fair value of acquired unearned revenue and the receipts billed prior to the acquisition less revenue recognized prior to the acquisition.

(c) Represents costs directly associated with acquisition or disposal activities, including employee severance and termination benefits, contract termination fees and penalties, and other exit or disposal costs. For three and nine months ended September 30, 2022, this expense related primarily to transition and retention payments related to 2021 and 2022 acquisitions. For the three and nine months ended September 30, 2021, this expense related primarily to cost incurred related to 2021 acquisitions, as well as impairment and accelerated depreciation related to the Company's Waltham office relocation.

- (d) Represents costs directly associated with integration activities for acquisitions and acquisition-related compensation, which includes transaction bonuses and retention awards. For the three and nine months September 30, 2022, this expense related to retention awards from the acquisitions of Clickagy, Everstring, and Insent, and professional fees relating to integration projects. For the three and nine months ended September 30, 2021, this expense related to retention awards from the acquisitions of Clickagy and Everstring, as well as cash vesting payments from the acquisition of Pre-Acquisition ZI. This expense is included in cost of service, sales and marketing expense, research and development expense, and general and administrative expense as follows:

(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of service	\$ —	\$ 0.6	\$ 0.2	\$ 1.8
Sales and marketing	—	1.9	0.5	2.9
Research and development	0.1	1.7	0.5	5.4
General and administrative	—	0.8	0.3	1.8
Total integration costs and acquisition-related compensation	\$ 0.1	\$ 5.1	\$ 1.6	\$ 12.0

Adjusted EBITDA for the three months ended September 30, 2022 was \$123.2 million, an increase of \$41.9 million, or 52%, relative to the three months ended September 30, 2021. This increase was driven primarily from the growth in revenue and additional customers in 2022 and 2021.

Adjusted EBITDA for the nine months ended September 30, 2022 was \$333.7 million, an increase of \$105.2 million, or 46%, relative to the nine months ended September 30, 2021. This increase was driven primarily from the growth in revenue and additional customers in 2022 and 2021.

## Components of Our Results of Operations

### Revenue

We derive 99% of our revenue from subscription services and the remainder from recurring usage-based services and other revenue. Our subscription services consist of our SaaS applications. Pricing of our subscription contracts are generally based on the functionality provided, the number of users that access our applications, and the amount of data that the customer integrates into their systems. Our subscription contracts typically have a term ranging from one to three years and are non-cancelable. We typically bill for services in advance either annually, semi-annually, or quarterly, and we typically require payment at the beginning of each annual, semi-annual, or quarterly period.

Subscription revenue is generally recognized ratably over the contract term starting with when our service is made available to the customer. Recurring usage-based revenue is recognized in the period services are utilized by our customers. Other revenue, comprised largely of implementation and professional services fees, is recognized as services are delivered. The amount of revenue recognized reflects the consideration we expect to be entitled to receive in exchange for these services. We record a contract asset when revenue recognized on a contract exceeds the billings to date for that contract.

Unearned revenue results from cash received or amounts billed to customers in advance of revenue recognized upon the satisfaction of performance obligations. The unearned revenue balance is influenced by several factors, including purchase accounting adjustments, seasonality, the compounding effects of renewals, invoice duration, invoice timing, dollar size, and new business timing within the period. The unearned revenue balance does not represent the total contract value of annual or multi-year, non-cancelable subscription agreements.

### Cost of Service

*Cost of service, excluding amortization of acquired technology.* Cost of service, excluding amortization of acquired technology includes direct expenses related to the support and operations of our SaaS services and related to our research teams, including salaries, benefits, equity-based compensation, and related expenses, such as employer taxes, allocated overhead for facilities, IT, third-party hosting fees, third-party data costs, and amortization of internally developed capitalized software.

We anticipate that we will continue to invest in costs of service and that costs of service as a percentage of revenue will stay consistent or modestly decrease as we realize operating leverage in the business.

*Amortization of acquired technology.* Amortization of acquired technology includes amortization expense for technology acquired in business combinations.

We anticipate that amortization of acquired technology will increase if we make additional acquisitions in the future.

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

Gross profit is revenue less cost of service, and gross margin is gross profit as a percentage of revenue. Gross profit has been and will continue to be affected by various factors, including leveraging economies of scale, the costs associated with third-party hosting services and third-party data, the level of amortization of acquired technology, and the extent to which we expand our customer support and research organizations. We expect that our gross margin will fluctuate from period to period depending on the interplay of these various factors.

### **Operating Expenses**

Our operating expenses consist of sales and marketing, research and development, general and administrative, restructuring and transaction expenses, and amortization of acquired intangibles (other than acquired technology). The most significant component of our operating expenses is personnel costs, which consists of salaries, bonuses, sales commissions, equity-based compensation, and other employee-related benefits. Operating expenses also include overhead costs for facilities, technology, professional fees, depreciation and amortization expense, and marketing.

*Sales and marketing.* Sales and marketing expenses primarily consist of employee compensation such as salaries, bonuses, sales commissions, equity-based compensation, and other employee-related benefits for our sales and marketing teams, as well as overhead costs, technology, and marketing programs. Sales commissions and related payroll taxes directly related to contract acquisition are capitalized and recognized as expenses over the estimated period of benefit.

We anticipate that we will continue to invest in sales and marketing capacity to enable future growth. We anticipate that sales and marketing expense excluding equity-based compensation will fluctuate from period to period depending on the interplay of our growing investments in sales and marketing capacity excluding equity-based compensation, the recognition of revenue, and the amortization of contract acquisition costs.

*Research and development.* Research and development expenses support our efforts to enhance our existing platform and develop new software products. Research and development expenses primarily consist of employee compensation such as salaries, bonuses, equity-based compensation, and other employee-related benefits for our engineering and product management teams, as well as overhead costs. Research and development expenses do not reflect amortization of internally developed capitalized software. We believe that our core technologies and ongoing innovation represent a significant competitive advantage for us, and we expect our research and development expenses to continue to increase as we invest in research and development resources to further strengthen and enhance our solutions.

We anticipate that we will continue to invest in research and development in order to develop new features and functionality to drive incremental customer value in the future and that research and development expense as a percentage of revenue will modestly increase in the long term.

*General and administrative.* General and administrative expenses primarily consist of employee-related costs such as salaries, bonuses, equity-based compensation, and other employee related benefits for our executive, finance, legal, human resources, IT, and business operations and administrative teams, as well as overhead costs. Additionally, we incur expenses for professional fees including legal services, accounting, and other consulting services, including those associated with operating as a public company.

We expect general and administrative expenses as a percentage of revenue to stay consistent or modestly decrease as we realize operating leverage in the business.

*Amortization of other acquired intangibles.* Amortization of acquired intangibles primarily consists of amortization of customer relationships, trade names, and brand portfolios.

We anticipate that amortization of other acquired intangibles will increase if we make additional acquisitions in the future.

*Restructuring and transaction-related expenses.* Restructuring and transaction expenses primarily consist of various restructuring and acquisition activities we have undertaken to achieve strategic or financial objectives. Restructuring and acquisition activities include, but are not limited to, consolidation of offices and responsibilities, office relocation, administrative cost structure realignment, and acquisition-related professional services fees.

We anticipate that restructuring and transaction expenses will be correlated with future acquisition activity or strategic restructuring activities, which could be greater than or less than our historic levels.

### ***Interest Expense, Net***

Interest expense represents the interest payable on our debt obligations and the amortization of debt discounts and debt issuance costs, less interest income.

We anticipate that interest expense could be impacted by changes in variable interest rates or the issuance of additional debt.

### ***Loss on Debt Modification and Extinguishment***

*Loss on debt modification and extinguishment* consists of prepayment penalties and impairment of deferred financing costs associated with the modification or extinguishment of debt, as well as new fees incurred with third parties in connection with debt modifications.

We anticipate that losses related to debt extinguishment will only occur if we extinguish indebtedness before the contractual repayment dates.

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

*Other (income) expense, net* consists primarily of the revaluation of tax receivable agreement liabilities and foreign currency realized and unrealized gains and losses related to the impact of transactions denominated in a foreign currency.

Changes to existing tax law including changes to the corporate income tax rates and the Company's state tax footprint could lead to substantial revaluations of the tax receivable agreement liability recorded through other income and expense, net.

The magnitude of other income and expenses, net may increase as we expand operations internationally and add complexity to our operations.

### ***Income Tax Expense (Benefit)***

ZoomInfo OpCo is currently treated as a pass-through entity for U.S. federal income tax purposes and most applicable state and local income tax purposes. *Income tax expense (benefit)*, *Deferred tax assets*, *Deferred tax liabilities*, and liabilities for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid by our corporate subsidiaries and, to the extent paid directly by our limited liability companies and partnerships that are treated as partnerships for tax purposes, our partnerships. Our corporate subsidiary, RKSI Acquisition Corporation, was subject to income taxes in the United States and held a noncontrolling interests in our subsidiary, ZoomInfo Technologies LLC. ZoomInfo Technologies LLC was treated as a partnership for U.S. federal and most applicable state and local income tax purposes. Any taxable income or loss generated by ZoomInfo Technologies LLC is passed through to and included in the taxable income or loss of its partners, including ZoomInfo LLC and RKSI Acquisition Corporation. However, because RKSI Acquisition Corporation is subject to income taxes in the United States, income allocated to such corporate subsidiary for tax purposes reduced the taxable income allocated to and distributions made to ZoomInfo OpCo. During the three months ended September 30, 2021, RKSI Acquisition Corporation was distributed up to ZoomInfo HoldCo followed by the merger of RKSI Acquisition Corporation with and into ZoomInfo HoldCo and the merger of ZoomInfo HoldCo with and into ZoomInfo Technologies Inc. Significant judgments and estimates are required in determining our consolidated income tax expense. Refer to Note 2 - Basis of Presentation and Summary of Significant Accounting Policies to our unaudited consolidated financial statements included in Part I, Item 1 of this Form 10-Q for additional information. During the three months ended December 31, 2021, ZoomInfo Technologies LLC made an election to be taxed as a corporation. Therefore, taxable income from the operations will no longer flow up to ZoomInfo Intermediate Inc.

After consummation of the Reorganization Transactions, ZoomInfo Intermediate Inc. became subject to U.S. federal income taxes with respect to our allocable share of any U.S. taxable income of ZoomInfo OpCo, and is taxed at the prevailing corporate tax rates. ZoomInfo Technologies Inc. is treated as a U.S. corporation for U.S. federal, state, and local income tax purposes. Accordingly, a provision for income taxes will be recorded for the anticipated tax consequences of our reported results of operations for federal income taxes. In addition to tax expenses, we also will incur expenses related to our operations, as well as payments under the tax receivable agreements, which we expect to be significant. In addition, because RKSI Acquisition Corporation (prior to its merger with and into ZoomInfo HoldCo) and Zebra Acquisition Corporation (prior to its merger with RKSI Acquisition Corporation) will continue to be subject to income taxes in the United States, income allocated to such corporate subsidiaries for tax purposes will reduce the distributions made to ZoomInfo OpCo, thereby reducing our allocable share of U.S. taxable income of ZoomInfo OpCo. See "Risk Factors - Risks Related to Our Organizational Structure" in Part I, Item 1A of our 2021 Form 10-K.

## Results of Operations

The following table presents our results of operations for the three and nine months ended September 30, 2022 and 2021:

(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 287.6	\$ 197.6	\$ 796.4	\$ 524.9
Cost of service:				
Cost of service <sup>(1)</sup>	35.9	27.2	103.4	72.1
Amortization of acquired technology	12.3	10.7	35.8	24.2
Gross profit	239.4	159.7	657.2	428.6
Operating expenses:				
Sales and marketing <sup>(1)</sup>	96.4	65.3	275.7	164.0
Research and development <sup>(1)</sup>	54.2	34.4	149.3	78.8
General and administrative <sup>(1)</sup>	31.2	23.4	88.2	64.1
Amortization of other acquired intangibles	5.6	5.4	16.5	15.0
Restructuring and transaction-related expenses	0.2	11.0	3.8	17.6
Total operating expenses	187.6	139.5	533.5	339.5
Income (loss) from operations	51.8	20.2	123.7	89.1
Interest expense, net	11.6	13.9	35.1	30.5
Loss on debt modification and extinguishment	—	1.8	—	7.7
Other (income) expense, net	(9.8)	(0.1)	(7.0)	(0.2)
Income (loss) before income taxes	50.0	4.6	95.6	51.1
Income tax expense (benefit)	32.1	45.5	55.6	101.4
<b>Net income (loss)</b>	<b>\$ 17.9</b>	<b>\$ (40.9)</b>	<b>\$ 40.0</b>	<b>\$ (50.3)</b>
Less: Net income (loss) attributable to noncontrolling interests	—	(0.3)	—	(22.2)
<b>Net income (loss) attributable to ZoomInfo Technologies Inc.</b>	<b>\$ 17.9</b>	<b>\$ (40.6)</b>	<b>\$ 40.0</b>	<b>\$ (28.1)</b>

(1) Includes equity-based compensation expense as follows:

(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of service	\$ 5.1	\$ 2.8	\$ 14.7	\$ 9.5
Sales and marketing	19.2	9.5	55.7	25.1
Research and development	17.0	7.4	47.9	13.2
General and administrative	6.8	4.8	19.3	11.9
Total equity-based compensation expense	\$ 48.1	\$ 24.5	\$ 137.6	\$ 59.7

**Three Months Ended September 30, 2022 and Three Months Ended September 30, 2021**

**Revenue.** Revenue was \$287.6 million for the three months ended September 30, 2022, an increase of \$90.0 million, or 46%, as compared to \$197.6 million for the three months ended September 30, 2021. This increase was primarily due to the addition of new customers over the past 12 months and net expansion with existing customers. Revenue from acquired products in the first 12 months post-acquisition contributed \$7.8 million for the three months ended September 30, 2022.

**Cost of Service.** Cost of service was \$48.2 million for the three months ended September 30, 2022, an increase of \$10.3 million, or 27%, as compared to \$37.9 million for the three months ended September 30, 2021. The increase was primarily due to additional headcount and related salaries and benefit expenses, increased hosting expense to support new and growing customers, increased amortization of acquired technology related to 2021 and 2022 acquisitions, and increased equity-based compensation expense.

**Operating Expenses.** Operating expenses were \$187.6 million for the three months ended September 30, 2022, an increase of \$48.1 million, or 34%, as compared to \$139.5 million for the three months ended September 30, 2021. Excluding equity-based compensation expenses, operating expenses were \$144.6 million for the three months ended September 30, 2022, an increase of \$26.8 million, or 23%, as compared to \$117.8 million for the three months ended September 30, 2021. The increase excluding equity-based compensation was primarily due to:

- an increase in sales and marketing expense (excluding equity-based compensation) of \$21.4 million, or 38%, to \$77.2 million for the three months ended September 30, 2022, due primarily to additional headcount and related salaries and benefits expenses added to drive continued incremental sales and support acquired products, as well as additional commission expense and amortization of deferred commissions related to obtaining contracts with customers;
- an increase in research and development expense (excluding equity-based compensation) of \$10.2 million, or 38%, to \$37.2 million for the three months ended September 30, 2022, due primarily to additional headcount and related salaries and benefits expenses added to support continued innovation of our services and acquired products;
- an increase in general and administrative expense (excluding equity-based compensation) of \$5.8 million, or 31%, to \$24.4 million for the three months ended September 30, 2022, due primarily to additional headcount and related salaries and benefits expenses to support the larger organization;
- an increase in amortization of acquired intangibles expense of \$0.2 million, or 4%, to \$5.6 million for the three months ended September 30, 2022, due to amortization expense related to intangible assets from 2022 acquisitions; and
- restructuring and transaction-related expense of \$0.2 million for the three months ended September 30, 2022. This represented a decrease of \$10.8 million, or 98%, as compared to expense of \$11.0 million for the three months ended September 30, 2021, which were primarily comprised of costs incurred related to 2021 acquisitions.

**Equity-based Compensation Expense.** Equity-based compensation expense was \$48.1 million for the three months ended September 30, 2022, an increase of \$23.6 million, or 96%, as compared to \$24.5 million for the three months ended September 30, 2021, primarily due to increased headcount.

**Other (income) expense, net.** Other income was \$9.8 million for the three months ended September 30, 2022, an increase of \$9.7 million, as compared to \$0.1 million for the three months ended September 30, 2021, primarily due to a TRA remeasurement gain recognized in 2022.

**Interest Expense, Net.** Interest expense, net was \$11.6 million for the three months ended September 30, 2022, a decrease of \$2.3 million, or 17%, as compared to \$13.9 million for the three months ended September 30, 2021. The decrease was primarily due to increases in deposit rates that drove incremental interest income, and commencement of forward-starting hedges (refer to Note 9 - Derivatives and Hedging Activities).



*Income Tax Expense (Benefit).* Expense from income taxes for the three months ended September 30, 2022 was \$32.1 million, representing an effective tax rate of 64.2%, as compared to expense from income taxes of \$45.5 million for the three months ended September 30, 2021, representing an effective tax rate of 989.1%. The decrease in the effective tax rate was primarily due to the non-recurring 2021 recognition of non-cash tax expense resulting from shifts in GAAP basis from a non-taxable entity to a taxable entity. The current quarter's effective tax rate largely exceeds the U.S. federal statutory rate due to the impact of state law changes and certain compensation expense that will not have a corresponding tax deduction.

#### ***Nine Months Ended September 30, 2022 and Nine Months Ended September 30, 2021***

*Revenue.* Revenue was \$796.4 million for the nine months ended September 30, 2022, an increase of \$271.5 million, or 52%, as compared to \$524.9 million for the nine months ended September 30, 2021. This increase was primarily due to the addition of new customers over the past 12 months and net expansion with existing customers. Revenue from acquired products in the first 12 months post-acquisition contributed \$40.7 million for the nine months ended September 30, 2022.

*Cost of Service.* Cost of service was \$139.2 million for the nine months ended September 30, 2022, an increase of \$42.9 million, or 45%, as compared to \$96.3 million for the nine months ended September 30, 2021. The increase was primarily due to additional headcount and related salaries and benefit expenses, increased hosting expense to support new and growing customers, increased amortization of acquired technology related to 2022 acquisitions, and increased equity-based compensation expense.

*Operating Expenses.* Operating expenses were \$533.5 million for the nine months ended September 30, 2022, an increase of \$194.0 million, or 57%, as compared to \$339.5 million for the nine months ended September 30, 2021. Excluding equity-based compensation expenses, operating expenses were \$410.6 million for the nine months ended September 30, 2022, an increase of \$121.3 million, or 42%, as compared to \$289.3 million for the nine months ended September 30, 2021. The increase excluding equity-based compensation was primarily due to:

- an increase in sales and marketing expense (excluding equity-based compensation) of \$81.1 million, or 58%, to \$220.0 million for the nine months ended September 30, 2022, due primarily to additional headcount and related salaries and benefits expenses added to drive continued incremental sales and support acquired products, as well as additional commission expense and amortization of deferred commissions related to obtaining contracts with customers, and advertising expenses;
- an increase in research and development expense (excluding equity-based compensation) of \$35.8 million, or 55%, to \$101.4 million for the nine months ended September 30, 2022, due primarily to additional headcount and related salaries and benefits expenses added to support continued innovation of our services and acquired products;
- an increase in general and administrative expense (excluding equity-based compensation) of \$16.7 million, or 32%, to \$68.9 million for the nine months ended September 30, 2022, due primarily to additional headcount and related salaries and benefits expenses to support the larger organization;
- an increase in amortization of acquired intangibles expense of \$1.5 million, or 10%, to \$16.5 million for the nine months ended September 30, 2022, due to amortization expense related to intangible assets from 2021 and 2022 acquisitions; and
- restructuring and transaction-related expense of \$3.8 million for the nine months ended September 30, 2022, primarily due to transition and retention payments and other costs incurred related to 2021 and 2022 acquisitions. This represented a decrease of \$13.8 million, or 78%, as compared to expense of \$17.6 million for the nine months ended September 30, 2021, which largely represented costs incurred related to 2021 acquisitions and impairment and accelerated depreciation related to the Company's Waltham office relocation.

*Equity-based Compensation Expense.* Equity-based compensation expense was \$137.6 million for the three months ended September 30, 2022, an increase of \$77.9 million, or 130%, as compared to \$59.7 million for the nine months ended September 30, 2021, primarily due to increased headcount.

*Other (income) expense, net.* Other income was \$7.0 million for the three months ended September 30, 2022, an increase of \$6.8 million, as compared to \$0.2 million for the nine months ended September 30, 2021, primarily due to a TRA remeasurement gain recognized in 2022.

*Interest Expense, Net.* Interest expense, net was \$35.1 million for the nine months ended September 30, 2022, an increase of \$4.6 million, or 15%, as compared to \$30.5 million for the nine months ended September 30, 2021. The increase was primarily due to increases in the amount of total debt, attributable to the July 2021 issuances of Senior Notes and additional First Lien principal.

*Income Tax Expense (Benefit).* Expense from income taxes for the nine months ended September 30, 2022 was \$55.6 million, representing an effective tax rate of 58.1%, as compared to expense from income taxes of \$101.4 million for the nine months ended September 30, 2021, representing an effective tax rate of 198.4%. The decrease in the effective tax rate was primarily due to the non-recurring 2021 recognition of non-cash tax expense resulting from shifts in GAAP basis from a non-taxable entity to a taxable entity,

## **Liquidity and Capital Resources**

As of September 30, 2022, we had \$406.3 million of cash and cash equivalents, \$32.4 million of short-term investments, and \$250.0 million available under our first lien revolving credit facility. We have financed our operations primarily through cash generated from operations and financed various acquisitions through cash generated from operations supplemented with debt offerings.

We believe that our cash flows from operations and existing available cash and cash equivalents, together with our other available external financing sources, will be adequate to fund our operating and capital needs for at least the next 12 months and for the foreseeable future. We are currently in compliance with the covenants under the credit agreements governing our secured credit facilities and we expect to remain in compliance with our covenants.

We generally invoice our subscription customers annually, semi-annually, or quarterly in advance of our subscription services. Therefore, a substantial source of our cash is from such prepayments, which are included on our Condensed Consolidated Balance Sheets as unearned revenue. Unearned revenue consists of billed fees for our subscriptions, prior to satisfying the criteria for revenue recognition, which are subsequently recognized as revenue in accordance with our revenue recognition policy. As of September 30, 2022, we had unearned revenue of \$381.2 million, of which \$379.7 million was recorded as a current liability and is expected to be recorded as revenue in the next 12 months, provided all other revenue recognition criteria have been met.

After the consummation of the Reorganization Transactions, ZoomInfo Intermediate Inc. (formerly known as ZoomInfo Technologies Inc.) became a holding company with no material assets other than its ownership of HoldCo Units, and ZoomInfo HoldCo became a holding company with no material assets other than its ownership of ZoomInfo OpCo Units. During the quarter ended September 30, 2021, ZoomInfo HoldCo was merged with and into ZoomInfo Intermediate Inc. During the quarter ended December 31, 2021, ZoomInfo Intermediate Inc. became a wholly owned subsidiary of ZoomInfo Technologies Inc. ZoomInfo Technologies Inc. and ZoomInfo Intermediate Inc. have no independent means of generating revenue. In the event ZoomInfo Technologies Inc. declares any cash dividend, we expect that ZoomInfo Technologies Inc. to cause ZoomInfo MidCo LLC to make distributions to ZoomInfo Technologies Inc. in part through distributions to ZoomInfo Intermediate Inc. and ZoomInfo OpCo, in an amount sufficient to cover such cash dividends declared by us. Deterioration in the financial condition, earnings, or cash flow of ZoomInfo MidCo LLC and its subsidiaries for any reason could limit or impair their ability to pay such distributions. In addition, the terms of our financing arrangements contain covenants that may restrict ZoomInfo MidCo LLC and its subsidiaries from paying such distributions, subject to certain exceptions. Further, ZoomInfo MidCo LLC is 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 ZoomInfo MidCo LLC (with certain exceptions), as applicable, exceed the fair value of its assets. Subsidiaries of ZoomInfo MidCo LLC are generally subject to similar legal limitations on their ability to make distributions to ZoomInfo MidCo LLC. See “Risk Factors - Risks Related to Our Organizational Structure” in Part I, Item 1A of our 2021 Form 10-K.

Our cash flows from operations, borrowing availability, and overall liquidity are subject to risks and uncertainties. We may not be able to obtain additional liquidity on reasonable terms, or at all. In addition, our liquidity and our ability to meet our obligations and to 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. Accordingly, our business may not generate sufficient cash flow from operations and future borrowings may not be available from additional indebtedness or otherwise to meet our liquidity needs. If we decide to pursue one or more significant acquisitions, we may incur additional debt or sell additional equity to finance such acquisitions, which would result in additional expenses or dilution. See “Risk Factors” in Part I, Item 1A of our 2021 Form 10-K.

### Historical Cash Flows

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

(\$ in millions)	Nine Months Ended September 30,	
	2022	2021
Net cash provided by (used in) operating activities	\$ 296.9	\$ 228.1
Net cash provided by (used in) investing activities	(180.3)	(739.4)
Net cash provided by (used in) financing activities	(18.3)	442.9
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ 98.3	\$ (68.4)

#### Cash Flows from (used in) Operating Activities

Net cash provided by operations was \$296.9 million for the nine months ended September 30, 2022 as a result of net income of \$40.0 million, adjusted by non-cash charges of \$292.2 million and the change in our operating assets net of operating liabilities of \$35.3 million. The non-cash charges are primarily comprised of equity-based compensation of \$137.6 million, depreciation and amortization of \$65.2 million, amortization of deferred commission costs of \$47.4 million, and a decrease in deferred tax assets net of deferred tax liabilities of \$47.5 million, partially offset by tax receivable agreement remeasurement of \$9.5 million. The change in operating assets net of operating liabilities was primarily the result of an increase in deferred costs and other assets of \$55.5 million, and a decrease in accrued expenses and other liabilities of \$11.2 million, partially offset by a decrease in accounts receivable of \$22.6 million and an increase in unearned revenue of \$10.2 million.

Net cash provided by operations was \$228.1 million for the nine months ended September 30, 2021 as a result of a net loss of \$50.3 million, adjusted by non-cash charges of \$238.3 million and partially offset by the change in our operating assets net of operating liabilities of \$40.1 million. The non-cash charges were primarily comprised of a decrease in deferred tax assets net of deferred tax liabilities of \$84.5 million, equity-based compensation of \$59.7 million, depreciation and amortization of \$49.6 million, and amortization of deferred commission costs of \$29.3 million. The change in operating assets net of operating liabilities was primarily the result of an increase in unearned revenue of \$55.0 million, an increase in accounts payable of \$11.8 million, and a decrease in accounts receivable of \$7.2 million, partially offset by an increase in deferred costs and other assets of \$33.5 million.

Restructuring and transaction-related cash costs for the nine months ended September 30, 2022 primarily related to transaction costs related to 2021 and 2022 acquisitions and tax payments related to entity conversions, which are not expected to recur. However, we may continue to make future acquisitions as part of our business strategy which may require the use of capital resources and drive additional future restructuring and transaction-related cash expenditures as well as integration and acquisition-related compensation cash costs. During the nine months ended September 30, 2022, and 2021, we incurred the following cash expenditures:

(\$ in millions)	Nine Months Ended September 30,	
	2022	2021
Cash interest expense	\$ 44.0	\$ 26.3
Restructuring and transaction-related expenses paid in cash <sup>(a)</sup>	\$ 12.6	\$ 19.3
Integration costs and acquisition-related compensation paid in cash <sup>(b)</sup>	\$ 3.0	\$ 4.7

(a) Represents cash payments directly associated with acquisition or disposal activities, including employee severance and termination benefits, contract termination fees and penalties, and other exit or disposal costs. For the nine months ended September 30, 2022, these payments related primarily to transition bonuses paid related to 2021 and 2022 acquisitions offset by payment received for the Waltham sublease termination. For the nine months ended September 30, 2021, these payments related primarily to transaction costs related to 2021 acquisitions and tax payments related to entity conversions.

(b) Represents cash payments directly associated with integration activities for acquisitions and acquisition-related compensation, which includes transaction bonuses and retention awards. For the nine months ended September 30, 2022, these payments related to retention awards from the acquisitions of Clickagy, Everstring, and Insent, and professional fees relating to integration projects. For the nine months ended September 30, 2021, these payments related primarily to cash vesting payments from the acquisition of Pre-Acquisition ZI and retention awards payable to acquired employees.

Future demands on our capital resources associated with our debt facilities may also be impacted by changes in reference interest rates and the potential that we incur additional debt in order to fund additional acquisitions or for other corporate purposes. Future demands on our capital resources associated with transaction expenses and restructuring activities and integration costs and transaction-related compensation will be dependent on the frequency and magnitude of future acquisitions and restructuring and integration activities that we pursue. As part of our business strategy, we expect to continue to pursue acquisitions of, or investments in, complementary businesses from time to time; however, we cannot predict the magnitude or frequency of such acquisitions or investments.

#### Cash Flows from (used in) Investing Activities

Cash used in investing activities for the nine months ended September 30, 2022 was \$180.3 million, consisting of cash paid for acquisitions of \$143.7 million, purchases of short-term investments of \$40.7 million, purchases of property and equipment and other assets of \$22.5 million, partially offset by maturities of short-term investments of \$26.6 million.

Cash used in investing activities for the nine months ended September 30, 2021 was \$739.4 million, consisting of cash paid for acquisitions of \$717.5 million, purchases of short-term investments of \$119.8 million, and purchases of property and equipment and other assets of \$15.8 million, partially offset by proceeds from sales of short-term investments of \$61.7 million and maturities of short-term investments of \$52.0 million.

As we continue to grow and invest in our business, we expect to continue to invest in property and equipment and opportunistically pursue acquisitions.

### Cash Flows from (used in) Financing Activities

Cash used in financing activities for the nine months ended September 30, 2022 was \$18.3 million, primarily comprised of payments of taxes related to net share settlement of equity awards of \$12.7 million, payments related to our tax receivable agreements of \$5.0 million, payments of deferred consideration of \$1.1 million, payments of issuance fees from prior transactions of \$0.7 million, partially offset by proceeds from exercise of stock options of \$1.2 million.

Cash provided by financing activities for the nine months ended September 30, 2021 was \$442.9 million, consisting of proceeds from debt of \$1,071.8 million, partially offset by payments on long-term debt of \$581.4 million, tax distributions to equity partners of \$19.9 million, payments of debt issuance and modification costs of \$11.4 million, and payments of deferred consideration of \$9.4 million.

Refer to Note 8 - Financing Arrangements of our consolidated financial statements for additional information related to each of our borrowings.

### Debt Obligations

As of September 30, 2022, the aggregate remaining balance of \$600.0 million of first lien term loans is due, in its entirety, at the contractual maturity date of February 1, 2026. As of September 30, 2022, the aggregate remaining balance of \$650.0 million of 3.875% Senior Notes is due, in its entirety, at the contractual maturity date of February 1, 2029. Interest on the Senior Notes is payable semi-annually in arrears beginning on August 1, 2021. The foregoing currently represent the only existing required future debt principal repayment obligations that will require future uses of the Company's cash.

The first lien term debt has a variable interest rate whereby the Company can elect to use a Base Rate or LIBOR plus an applicable rate. The applicable rate is 2.00% for Base Rate loans or 3.00% for LIBOR Based Loans, depending on the Company's leverage. The first lien revolving debt has a variable interest rate whereby the Company can elect to use a Base Rate or LIBOR plus an applicable rate. The applicable margin is 1.00% to 1.25% for Base Rate loans or 2.00% to 2.25% for LIBOR Based Loans, depending on the Company's leverage. The effective interest rate on the first lien debt was 5.83% and 3.41% as of September 30, 2022 and December 31, 2021, respectively.

Our total net leverage ratio to Adjusted EBITDA is defined as total contractual maturity of outstanding indebtedness less cash and cash equivalents, restricted cash, and short-term investments, divided by trailing twelve months Adjusted EBITDA. Adjusted EBITDA for the 12 months ended September 30, 2022 was \$423.4 million. Our total net leverage ratio to Adjusted EBITDA as of September 30, 2022 was 1.9x.

(\$ in millions, except leverage ratios)

Total contractual maturity of outstanding indebtedness	\$	1,250.0
Less: Cash and cash equivalents, restricted cash, and short-term investments		444.8
Net Debt	\$	805.2
Trailing Twelve Months (TTM) Adjusted EBITDA	\$	423.4
Total net leverage ratio to Adjusted EBITDA		1.9x

Our consolidated first lien net leverage ratio is defined in our First Lien Credit Agreement as total contractual maturity of outstanding First Lien indebtedness less cash and cash equivalents and short-term investments, divided by trailing twelve months Cash EBITDA (defined as Consolidated EBITDA in our Credit Agreements). Cash EBITDA differs from Adjusted EBITDA due to certain defined add-backs, including cash generated from changes in unearned revenue; see table below for reconciliation. Cash EBITDA for the 12 months ended September 30, 2022 was \$512.0 million. Our consolidated first lien net leverage ratio as of September 30, 2022 was 0.3x.

(\$ in millions, except leverage ratios)

Total contractual maturity of First Lien indebtedness	\$	600.0
Less: Cash and cash equivalents, and short-term investments		438.7
Net Debt	\$	161.3
Trailing Twelve Months (TTM) Cash EBITDA	\$	512.0
Consolidated first lien net leverage ratio		0.3x

Our total net leverage ratio to Cash EBITDA (defined as Consolidated EBITDA in our Credit Agreements) is defined as total contractual maturity of outstanding indebtedness less cash and cash equivalents, restricted cash, and short-term investments, divided by trailing twelve months Cash EBITDA. Cash EBITDA for the 12 months ended September 30, 2022 was \$512.0 million. Our total net leverage ratio to Cash EBITDA as of September 30, 2022 was 1.6x.

(\$ in millions, except leverage ratios)

Total contractual maturity of outstanding indebtedness	\$	1,250.0
Less: Cash and cash equivalents, restricted cash, and short-term investments		444.8
Net Debt	\$	805.2
Trailing Twelve Months (TTM) Cash EBITDA	\$	512.0
Total net leverage ratio to Cash EBITDA		1.6x

<i>(in millions)</i>	Trailing Twelve Months as of September 30, 2022	
<b>Net income (loss)</b>	\$	185.1
Add (less): Expense (benefit) from income taxes		(39.7)
Add: Interest expense, net		48.5
Add: Loss on debt modification and extinguishment		—
Add: Depreciation		16.2
Add: Amortization of acquired technology		47.0
Add: Amortization of other acquired intangibles		21.8
<b>EBITDA</b>	\$	278.9
Add (less): Other expense (income), net <sup>(a)</sup>		(46.0)
Add: Impact of fair value adjustments to acquired unearned revenue <sup>(b)</sup>		3.8
Add: Equity-based compensation expense		170.8
Add: Restructuring and transaction related expenses (excluding depreciation) <sup>(c)</sup>		9.8
Add: Integration costs and acquisition-related expenses <sup>(d)</sup>		6.0
<b>Adjusted EBITDA</b>	\$	423.4
Add: Unearned revenue adjustment		82.7
Add (less): Cash rent adjustment		2.8
Add (less): Pre-Acquisition EBITDA		1.2
Add (less): Other lender adjustments		1.9
<b>Cash EBITDA</b>	\$	512.0

(a) Primarily represents revaluations on tax receivable agreement liability and foreign exchange remeasurement gains and losses.

(b) Represents the impact of fair value adjustments to acquired unearned revenue relating to services billed by an acquired company prior to our acquisition of that company. These adjustments represent the difference between the revenue recognized based on management's estimate of fair value of acquired unearned revenue and the receipts billed prior to the acquisition less revenue recognized prior to the acquisition.

- (c) Represents costs directly associated with acquisition or disposal activities, including employee severance and termination benefits, contract termination fees and penalties, and other exit or disposal costs. For the trailing twelve months ended September 30, 2022, this expense related primarily to cost incurred pursuant to the 2021 and 2022 acquisitions.
- (d) Represents costs directly associated with integration activities for acquisitions and acquisition-related compensation, which includes transaction bonuses and retention awards. For the trailing twelve months ended September 30, 2022, this expense related primarily to retention awards from the acquisitions of Clickagy, Everstring, and Insent, professional fees relating to integration projects, and cash vesting payments from the acquisition of Pre-Acquisition ZI. This expense is included in cost of service, sales and marketing expense, research and development expense, and general and administrative expense as follows:

<i>(in millions)</i>	<b>Trailing Twelve Months as of September 30, 2022</b>	
Cost of service	\$	0.5
Sales and marketing		3.7
Research and development		0.9
General and administrative		0.9
<b>Total integration costs and acquisition-related compensation</b>	<b>\$</b>	<b>6.0</b>

In addition, the credit agreement governing our first lien term loan contains restrictive covenants that may limit our ability to engage in activities that may be in our long-term best interest. These restrictive covenants include, among others, limitations on our ability to pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock, prepay, redeem, or repurchase certain debt, make acquisitions, investments, loans, and advances, or sell or otherwise dispose of assets. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of substantially all of our debt. The Company may be able to incur substantial additional indebtedness in the future. The terms of the credit agreements governing our first lien term loan limit, but do not prohibit, the Company from incurring additional indebtedness, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions will also not prevent the Company from incurring obligations that do not constitute “Indebtedness” as defined in the agreements governing our indebtedness.

### **Tax Receivable Agreements**

We have entered into two tax receivable agreements. We entered into (i) the Exchange Tax Receivable Agreement with certain of our Pre-IPO OpCo Unitholders and (ii) the Reorganization Tax Receivable Agreement with the Pre-IPO Blocker Holders. These tax receivable agreements provide for the payment by members of the ZoomInfo Tax Group to such Pre-IPO Owners and certain Pre-IPO HoldCo Unitholders of 85% of the benefits, if any, that the ZoomInfo Tax Group is deemed to realize (calculated using certain assumptions) as a result of certain tax attributes and benefits covered by the tax receivable agreements.

The Exchange Tax Receivable Agreement provides for the payment by members of the ZoomInfo Tax Group to certain Pre-IPO OpCo Unitholders and certain Pre-IPO HoldCo Unitholders of 85% of the benefits, if any, that the ZoomInfo Tax Group is deemed to realize (calculated using certain assumptions) as a result of (i) the ZoomInfo Tax Group’s allocable share of existing tax basis acquired in the IPO and (ii) increases in the ZoomInfo Tax Group’s allocable share of existing tax basis and tax basis adjustments that will increase the tax basis of the tangible and intangible assets of the ZoomInfo Tax Group as a result of sales or exchanges of OpCo Units for shares of Common Stock after the IPO, and certain other tax benefits, including tax benefits attributable to payments under the Exchange Tax Receivable Agreement. The Reorganization Tax Receivable Agreement provides for the payment by ZoomInfo Intermediate Inc. to Pre-IPO Blocker Holders and certain Pre-IPO HoldCo Unitholders of 85% of the benefits, if any, that the ZoomInfo Tax Group is deemed to realize (calculated using certain assumptions) as a result of the ZoomInfo Tax Group’s utilization of certain tax attributes of the Blocker Companies (including the ZoomInfo Tax Group’s allocable share of existing tax basis acquired in the Reorganization Transactions), and certain other tax benefits, including tax benefits attributable to payments under the Reorganization Tax Receivable Agreement. In each case, these increases in existing tax basis and tax basis adjustments generated over time may increase (for tax purposes) the ZoomInfo Tax Group’s depreciation and amortization deductions and, therefore, may reduce the amount of tax that the ZoomInfo Tax Group 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 ZoomInfo Tax Group's allocable share of existing tax basis acquired in the IPO and the increase in the ZoomInfo Tax Group's allocable share of existing tax basis and the tax basis adjustments upon exchanges of OpCo Units for shares of Common Stock 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. The payment obligations under the tax receivable agreements are an obligation of members of the ZoomInfo Tax group, but not of ZoomInfo OpCo. The ZoomInfo Tax Group expects to benefit from the remaining 15% of realized cash tax benefits.

For purposes of the tax receivable agreements, the realized cash tax benefits will be computed by comparing the actual income tax liability of the ZoomInfo Tax Group (calculated with certain assumptions) to the amount of such taxes that the ZoomInfo Tax Group would have been required to pay had there been no existing tax basis, no anticipated tax basis adjustments of the assets of the ZoomInfo Tax Group as a result of exchanges and no utilization of certain tax attributes of the Blocker Companies (including the Blocker Companies' allocable share of existing tax basis), and had ZoomInfo Intermediate Inc. not entered into the tax receivable agreements. The term of each tax receivable agreement will continue until all such tax benefits have been utilized or expired, unless (i) ZoomInfo Intermediate Inc. exercises its right to terminate one or both tax receivable agreements for an amount based on the agreed payments remaining to be made under the agreement, (ii) ZoomInfo Intermediate Inc. breaches any of its material obligations under one or both tax receivable agreements in which case all obligations (including any additional interest due relating to any deferred payments) generally will be accelerated and due as if ZoomInfo Intermediate Inc. had exercised its right to terminate the tax receivable agreements, or (iii) there is a change of control of ZoomInfo Intermediate Inc., in which case the Pre-IPO Owners may elect to receive an amount based on the agreed payments remaining to be made under the agreement determined as described above in clause (i). Estimating the amount of payments that may be made under the tax receivable agreements is by its nature imprecise, insofar as the calculation of amounts payable depends on a variety of factors. The amount of existing tax basis and the anticipated tax basis adjustments, as well as the amount and timing of any payments under the tax receivable agreements, will vary depending upon a number of factors, including our blended federal and state tax rate and the amount and timing of our income.

We expect that as a result of the size of the ZoomInfo Tax Group's allocable share of existing tax basis acquired in the IPO, the increase in the ZoomInfo Tax Group's allocable share of existing tax basis and the tax basis adjustment of the tangible and intangible assets of the ZoomInfo Tax Group upon the exchange of OpCo Units for shares of Common Stock and our possible utilization of certain tax attributes, the payments that ZoomInfo Intermediate Inc. may make under the tax receivable agreements will be substantial. As of September 30, 2022, the Company had a liability of \$3,042.0 million related to its projected obligations under the Tax Receivable Agreements in connection with the Reorganization Transactions and OpCo Units. During the nine months ended September 30, 2022, we paid a total of \$5.0 million pursuant to the Tax Receivable Agreements. There were no payments in the nine months ended September 30, 2021. The payments under the tax receivable agreements are not conditioned upon continued ownership of us by the exchanging holders of OpCo Units. Refer to Note 16 - Tax Receivable Agreements to our unaudited consolidated financial statements included in Part I, Item 1 of this Form 10-Q for additional information.

### **Contractual Obligations and Commitments**

As of September 30, 2022, we had additional operating leases for office space that have not yet commenced with anticipated undiscounted future lease payments of \$340.9 million. Refer to Note 14 - Leases of the notes to our unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

Except as set forth above and in Note 11 - Commitments and Contingencies of the notes to our unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, there have been no material changes outside of the ordinary course of business in the contractual obligations and commitments disclosed in our Annual Report on 10-K for the year ended December 31, 2021.



### **Critical Accounting Policies and Estimates**

Critical accounting policies and estimates are those accounting policies and estimates that are both the most important to the portrayal of our net assets and results of operations and require the most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. These estimates are developed based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Critical accounting estimates are accounting estimates where the nature of the estimates is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and the impact of the estimates on financial condition or operating performance is material.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our 2021 Form 10-K.

### **Recently Issued Accounting Pronouncements**

Refer to Note 2 - Basis of Presentation and Summary of Significant Accounting Policies of our consolidated financial statements included in Part I, Item 1 of this Form 10-Q regarding recently issued accounting pronouncements.

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

We have operations in the United States and internationally, and we are exposed to market risk in the ordinary course of business.

#### ***Inflation***

We do not believe that 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.

#### ***Interest Rate Risk***

Our operating results are subject to market risk from interest rate fluctuations on our First Lien Term Loan, which bears a variable interest rate based on LIBOR. As of September 30, 2022, the total principal balance outstanding was \$600.0 million. We have implemented a hedging strategy to mitigate the interest rate risk by entering into certain derivative instruments (refer to Note 8 - Financing Arrangements of our consolidated financial statements included in Part I, Item 1 of this Form 10-Q). Based on the outstanding balances and interest rates of our debt as of September 30, 2022, a hypothetical relative increase or decrease in our effective interest rate by 100 basis points or 1% would have caused an immaterial corresponding change in interest expense over the next 12 months.

Additionally, from time to time, we have redesignated certain cash flow hedging relationships due to repricing of the terms and partial prepayment of the outstanding principal of our First Lien Term Loan since loan inception. As of September 30, 2022, all cash flow hedging relationships are designated as accounting hedges.

#### ***Foreign Currency Exchange Rate Risk***

To date, our sales contracts have primarily been denominated in U.S. dollars. We have foreign entities established in Israel, Canada, United Kingdom, India and Australia. The functional currency of these foreign subsidiaries is the U.S. dollar. A stronger U.S. dollar could make our solution more expensive outside the United States and therefore reduce demand, while a weaker U.S. dollar could have the opposite effect. Such economic exposure to currency fluctuations is difficult to measure or predict because our sales are influenced by many factors in addition to the impact of currency fluctuations. Monetary assets and liabilities of the foreign subsidiaries are re-measured into U.S. dollars at the exchange rates in effect at the reporting date, non-monetary assets and liabilities are re-measured at historical rates, and revenue and expenses are re-measured at average exchange rates in effect during each reporting period. Foreign currency transaction gains and losses are recorded to non-operating income (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.

#### ***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. Our investment portfolio is comprised of highly rated securities with a weighted-average maturity of less than 12 months in accordance with our investment policy which seeks to preserve principal and maintain a high degree of liquidity.

## **ITEM 4. CONTROLS AND PROCEDURES**

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

As of the end of the period covered by this Quarterly Report on Form 10-Q, 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, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2022 to provide reasonable assurance that information to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and such information is accumulated and communicated to management, including our principal executive and principal financial officers or persons performing similar functions, as appropriate to allow timely decisions regarding disclosure. Our disclosure controls and procedures were developed through a process in which our management applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding the control objectives. You should note that the design of any system of disclosure controls and procedures is based in part upon various assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

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

During the quarter ended September 30, 2022, no change 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 materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### ***Inherent Limitations on Effectiveness of Controls***

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent 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. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

**PART II - OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS**

For a description of certain legal and regulatory proceedings, please read “Legal Matters” in Note 11 (Commitments and Contingencies) to our unaudited consolidated financial statements included in Part I, Item 1 of this Form 10-Q, which is incorporated herein by reference.

**ITEM 1A. RISK FACTORS**

We are subject to various risks that could have a material adverse impact on our financial position, results of operations or cash flows. Although it is not possible to predict or identify all such risks and uncertainties, they may include, but are not limited to, the factors discussed under “Risk Factors” in Part I, Item 1A of our 2021 Form 10-K. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our financial position, results of operations or cash flows. There have been no material changes to the risk factors included in our 2021 Form 10-K.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS***Issuer Purchases of Equity Securities*

The following table sets forth information with respect to shares of Common Stock purchased by the Company during the periods indicated:

<b>Period</b>	<b>Total Number of Shares Purchased <sup>(1)</sup></b>	<b>Weighted Average Price Paid Per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plan or Programs</b>
July 1 through July 31, 2022	—	\$ —	—	—
August 1 through August 31, 2022	6,333	\$ 41.97	—	—
September 1 through September 30, 2022	8,332	\$ 45.42	—	—
Total	14,665		—	—

(1) All of these shares were acquired through the withholding of shares to satisfy tax withholding obligations incurred upon the vesting of HSKB Phantom Units awarded under the HSKB Funds, LLC 2019 Phantom Unit Plan.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

Exhibits filed or furnished herewith are designated by a cross (+); 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 ZoomInfo Technologies Inc., any other persons, any state of affairs or other matters.

<b>Exhibit Number</b>	<b>Description</b>	<b>Report or Registration Statement</b>	<b>SEC File or Registration Number</b>	<b>Exhibit Reference</b>
3.1	<a href="#">Second Amended and Restated Certificate of Incorporation of ZoomInfo Technologies Inc.</a>	8-K filed May 19, 2022	001-39310	3.1
3.2	<a href="#">Amended and Restated Bylaws of ZoomInfo NewCo Inc.</a>	8-K filed November 1, 2021	001-39310	3.2
4.1	<a href="#">Indenture, dated as of February 2, 2021, by and among ZoomInfo Technologies LLC, ZoomInfo Finance Corp., the guarantors named on the signature pages thereto, and Wells Fargo National Association, as trustee</a>	8-K filed July 15, 2021	001-39310	4.1
4.2	<a href="#">Supplemental Indenture, dated as of July 15, 2021, by and among ZoomInfo Technologies LLC, ZoomInfo Finance Corp., the guarantors named on the signature pages thereto, and Wells Fargo National Association, as trustee</a>	8-K filed July 15, 2021	001-39310	4.2
4.3	Form of 3.875% Senior Note due 2029 (included in Exhibit 4.1)	8-K filed July 15, 2021	001-39310	4.3
+31.1	<a href="#">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.</a>			
+31.2	<a href="#">Certification of Principal Financial 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.</a>			
+32.1*	<a href="#">Certifications 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.</a>			
+101.INS	Inline XBRL Instance 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 (formatted as Inline XBRL and contained in Exhibit 101)			

† Management contract or compensatory plan or arrangement.

+ 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 ZoomInfo Technologies Inc. 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.

## 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.

ZOOMINFO TECHNOLOGIES INC.

By: /s/ P. Cameron Hyzer

Name: P. Cameron Hyzer

Title: Chief Financial Officer

(Principal Financial Officer and Authorized  
Signatory)

Date: November 1, 2022

**Management Certification Pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Henry Schuck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ZoomInfo Technologies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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: November 1, 2022

/s/ Henry Schuck

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Henry Schuck

Chief Executive Officer

*(Principal Executive Officer)*

**Management Certification Pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, P. Cameron Hyzer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ZoomInfo Technologies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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: November 1, 2022

/s/ P. Cameron Hyzer

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P. Cameron Hyzer

Chief Financial Officer

*(Principal Financial Officer)*

**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 ZoomInfo Technologies Inc. (the "Company") for the quarterly period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Henry Schuck, as Chief Executive Officer of the Company, and P. Cameron Hyzer, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 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 Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification shall not be deemed "filed" for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, regardless of any general incorporation language in such filing.

Date: November 1, 2022

/s/ Henry Schuck

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Henry Schuck

Chief Executive Officer

*(Principal Executive Officer)*

/s/ P. Cameron Hyzer

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P. Cameron Hyzer

Chief Financial Officer

*(Principal Financial Officer)*