zoominfo

# Investor Overview and Financial Results

May 3, 2021

# Forward-Looking Statements

This presentation contains “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. Any statements in this presentation regarding future revenue, earnings, margins, financial performance, cash flow, liquidity, results of operations, unlevered free cash flow conversion rates, stock based compensation expense, depreciation and amortization expense, interest expense, capital expenditures, non-GAAP tax rates, or cash tax rates (including, but not limited to, the information provided under "Financial Results Overview - 2021 Guidance” and "Guidance"), our total addressable market ("TAM"), our potential opportunities within existing enterprise customers, our future investments in R&D, innovation and product offerings, the potential impact of COVID-19, future product or service offerings, expected customer growth or net retention, the anticipated benefits of the Clickagy and EverString acquisitions to us and our customers, our acquisition strategy, and any other statements that are not historical facts are forward-looking statements. 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: (i) the COVID-19 pandemic, including the global economic uncertainty and measures taken in response, could materially impact our business and future results of operations; (ii) larger well-funded companies shifting their existing business models to become more competitive with us; (iii) our ability 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; (iv) the effects of companies more effectively catering to our customers by offering more tailored products or platforms at lower costs; (v) adverse general economic and market conditions reducing spending on sales and marketing; (vi) the effects of declining demand for sales and marketing subscription platforms; (vii) our ability to improve our technology and keep up with new processes for data collection, organization, and cleansing; (viii) our ability to provide a highly accurate, reliable, and comprehensive platform moving forward; (ix) our reliance on third-party systems that we do not control to integrate with our system and our potential inability to continue to support integration; (x) our ability to adequately fund research and development potentially limiting introduction of new features, integrations, and enhancements; (xi) our ability to attract new customers and expand existing subscriptions; (xii) a decrease in participation in our contributory network or increased opt-out rates impacting the depth, breadth, and accuracy of our platform; (xiii) our failure to protect and maintain our brand and our ability to attract and retain customers; (xiv) our failure to achieve and maintain effective internal controls over financial reporting; (xv) our ability to successfully integrate acquired businesses, services, databases and technologies into our operations; (xvi) our substantial indebtedness, which 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; (xvii) the parties to our stockholders agreement controlling us and their interests conflicting with ours or our other stockholders in the future; (xviii) our being a “controlled company” within the meaning of the Nasdaq rules and, as a result, qualifying for exemptions from certain corporate governance requirements, as a result of which our stockholders will not have the same protections afforded to stockholders of companies that are subject to such requirements; and (xix) other factors described under “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and in other reports we file from time to time with the SEC. These factors should not be construed as exhaustive. 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. Each forward-looking statement contained in this presentation speaks only as of the date of this presentation, 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.

# Business Model

## Growing TAM

**>$30bn**

Estimated TAM[1][2]

## Network Effects

**>100mm**

Contact record events daily[2]

## Business Model

**>10x**

LTV/CAC[3][4]

**108%**

FY 2020 Net Revenue Retention rate[5]

zoominfo

# Delivering Durable Growth and Profitability at Scale

## Scale

**$613 million**

Annualized Q1 2021 Revenue[2]

## Growth

**50%**

Q1 2021 YoY Revenue Growth

## Large Customers

**>950**

Customers w/ $100k or greater ACV [2]

## Profitability

**43%**

Q1 2021 Adj. Operating Income Margin[2][6]

1. See footnote on slide 8
2. As of or through March 31, 2021 as applicable
3. For the trailing twelve month period ended March 31, 2021
4. "LTV" is average lifetime value expected from a customer. "CAC" is our average customer acquisition cost
5. For the trailing twelve month period ended December 31, 2020
6. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation

## The Problem:

# Sales and Marketing is Still Inefficient

### Sales Reps Need Critical Questions Answered Before They Can Sell

"Is it a parent or a subsidiary?"

"Is this company in my territory?"

"Is this company a high priority target?"

"Do they use a competitive technology?"

"Who is the decision maker?"

"How can I reach this contact?"

"What do I know about this contact?"


### Constant change amplifies inefficiency

**The business world is always changing**

People leave their jobs

↓

Companies get acquired

↓

Teams grow and change roles

↓

New targetable companies popping up every day

zoominfo

1. According to 2018 Salesforce State of Sales report

## The Solution:

# ZoomInfo is the Go-to-Market Intelligence System

We provide a comprehensive 360-degree view on over 95 million companies and over 124 million professionals

### OUR PLATFORM

Enables our customers to:

- ✓ Identify Target Customers
- ✓ Get Direct Contact Information
- ✓ Rank Best Targets
- ✓ Monitor Key Buying Signals
- ✓ Track Deal Progress
- ✓ Deliver Insights & Analytics

### OUR PLATFORM

Provides online access to Go-To-Market Intelligence


### EMBEDDED SALES AUTOMATION

Engage

### OUR INTEGRATIONS

Fuel our customers' sales & marketing systems and programs

salesforce

HubSpot

Marketo

ORACLE SALES CLOUD

Microsoft Dynamics

## Overview of our Intelligence Engine:

# Diverse Data Sourcing Feeds Evidence-Based ML Algorithms

### DATA SOURCES

We gather data from four categories of sources

### DATA TYPES

We gather a wide variety of intelligence on companies and business professionals

### ENGINE

Our intelligence engine brings together, processes and verifies and publishes intelligence

**Contributory Network**

100mm contact record events daily

**Unstructured Public Information**

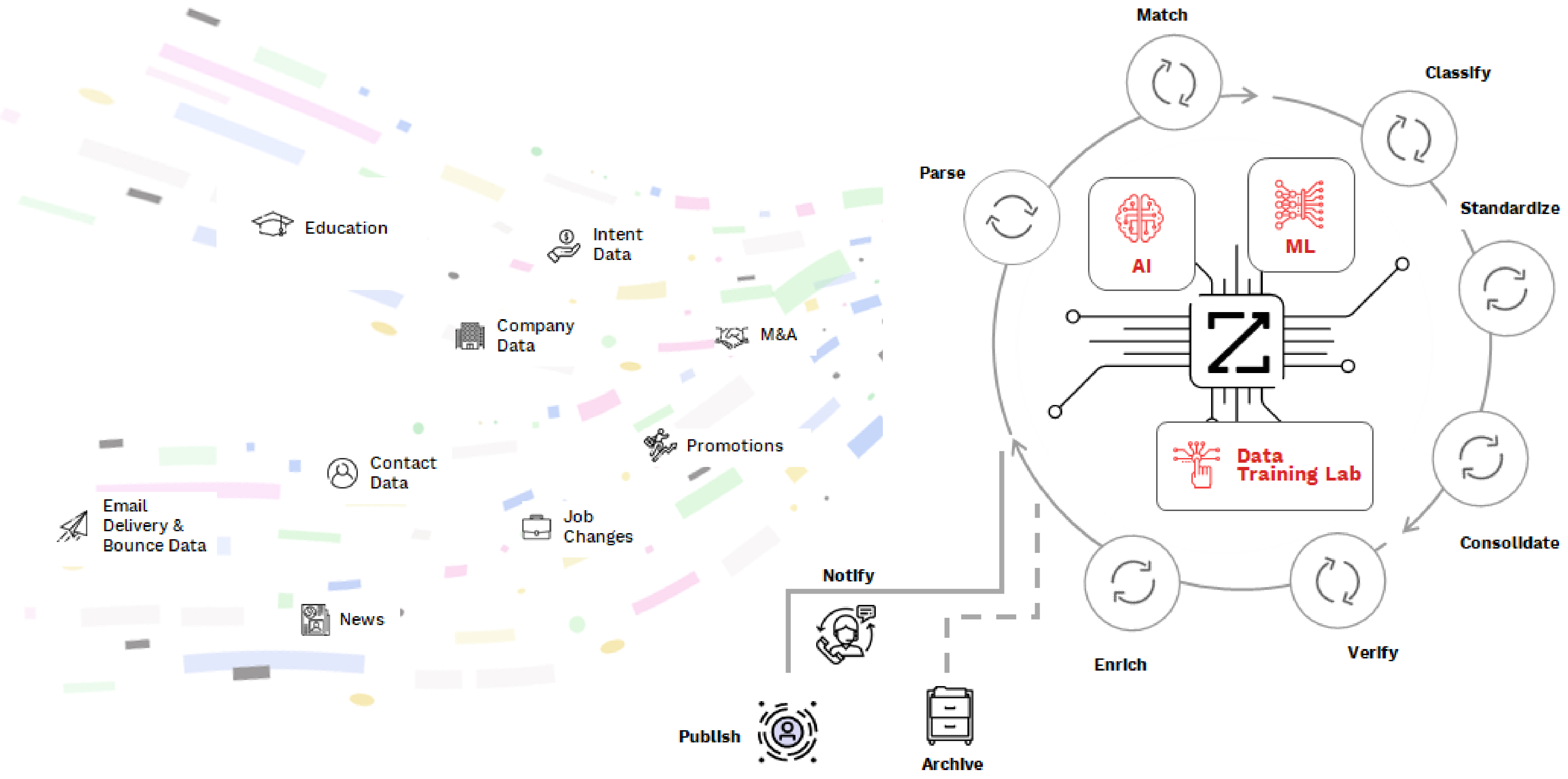
50 Million web domains monitored

**Data Training Lab**

300 human researchers

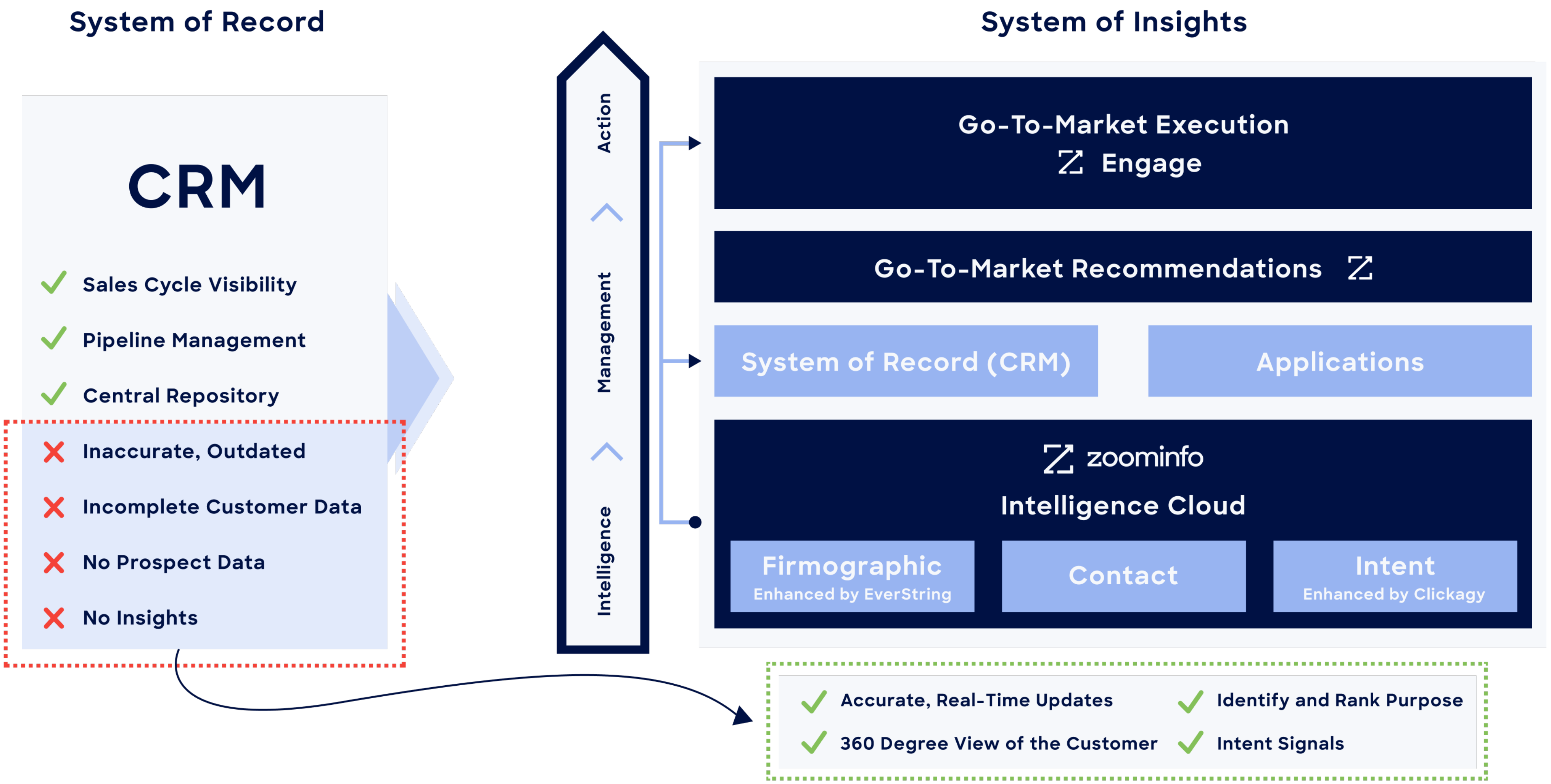
**Generally Available Information**

Limited amount of acquired data



Overview of our Intelligence Engine:

# Evolving Customer Need for a System of Insights



## Overview of our Intelligence Engine:

# We are in the Early Chapters of a >$30Bn[1] Opportunity

**$1 billion opportunity**

within existing enterprise customers

Acquire new customers

Incremental penetration within enterprises

Additional high-value solutions to existing customers

Adjacent use cases such as recruiting

Expand to international markets

Select acquisitions to complement platform

1. We estimate the TAM for our platform to be >$30 billion, including >$6 billion market for sales engagement based on data as of December 31, 2020. We calculate our TAM by estimating the total number of companies by employee size for companies with 1,000 or more employees, companies with 100 to 999 employees, and companies with 10 to 99 employees and applying the ACV to each respective company using internally generated data of actual customer spend by company size. The aggregate calculated value represents our estimated TAM. Data for numbers of companies by employee count is from our ZoomInfo platform that we have identified as relevant prospects for our platform. The ACV applied to the specifically identified number of companies by employee size is calculated by leveraging internal company data on current customer spend, which is concentrated on sales and marketing use cases today. For our companies with 1,000 or more employees, we have applied the average ACV of our top quartile of customers with 1,000 or more employees, who we believe have achieved broader implementation of our platform across their organizations. For companies with 100 to 999 employees and companies with 10 to 99 employees, we have applied an average ACV based on current spend for our customers in these bands.

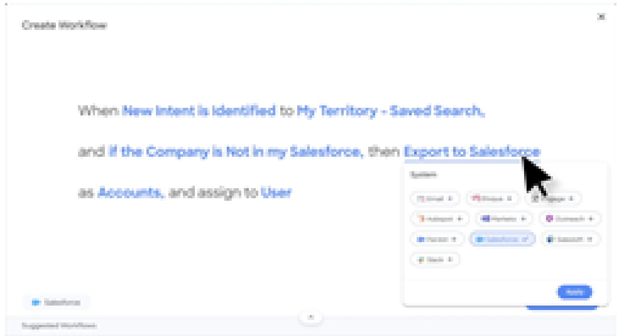
# Recent Product Highlights

## Stronger Engage Integration

- Configure Target Market Persona to receive relevant Recommended Contacts to target, strong adoption with over 80% of active users within the same quarter of the release
- Introduced Search & Import Contacts from ZoomInfo & Salesforce for improved efficiency, with > 60% account adoption
- Seamlessly export up to 2,000 records from ZoomInfo to Engage
- Daily Active Users / Monthly Active Users (DAU/MAU) >40% within seven months from launch

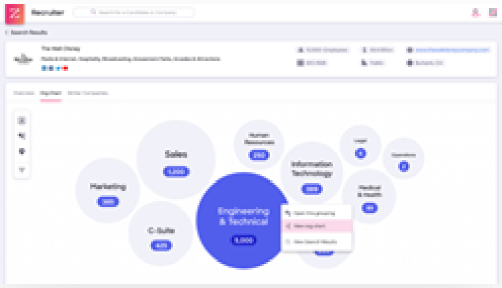
## Automation with Workflows

- Automate campaigns triggered by new intent signals
- Added advanced admin controls for enterprise deployments
- Recording breaking >2,000 registrants for webinar, covering the new Workflows




## ZoomInfo for Recruiters

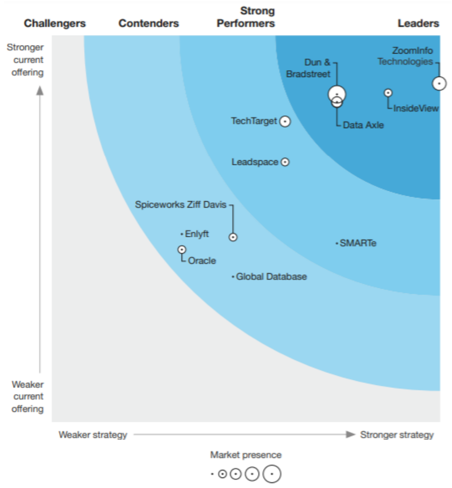
- Concluded successful limited launch
- Released Engage integration to promote the power of automatic email sequences in the recruiting process.
- Launched integration with Bullhorn, and in active discussions / build phase with more than a dozen different talent CRM and applicant tracking system (ATS) vendors.



# Recent Recognition

## Forrester Wave™ (1)

- Named a Leader in The Forrester Wave™: B2B Marketing Data Providers, Q2 2021.
- Received the highest possible scores in 18 criteria, including: data acquisition and processing; data security and privacy; integrations, APIs, and applications; solution packaging and pricing; and product roadmap and vision.




## TrustArc - GDPR and CCPA Practices Validations

- Attained 2021 TrustArc GDPR and CCPA practices validations, confirming ZoomInfo's status as a privacy-forward organization.
- The GDPR and CCPA Practices Validations confirm that ZoomInfo's privacy policies and practices meet or exceed the TrustArc Privacy and Data Governance Frameworks, including: establishing, maintaining, and continually improving GDPR- and CCPA-compliant privacy practices aligned with the ISO 27001 International Standard for Information Security Management Systems.

TRUSTe Certified Privacy Powered by TrustArc

## Trust Radius - Top-rated Award for Sales Intelligence Software

- Earned the TrustRadius top-rated award for sales intelligence software for the fourth consecutive year.
- ZoomInfo has more than 800 verified ratings and reviews on TrustRadius.
- ZoomInfo is a certified recipient of the 2021 TrustRadius TRUE Badge, recognizing vendors who are Transparent, Responsive, Unbiased and Ethical in sourcing and managing their consumer reviews.

TRUE 2021

Top Rated 2021

1. The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester Wave™ is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.OrThe Forrester New Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester New Wave™ is a graphical representation of Forrester's call on a market. Forrester does not endorse any vendor, product, or service depicted in the Forrester New Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.

# Recent new and expansion customers

More than 20,000 Customers from Small, Mid-sized and Larger Organizations Across a Diverse Set of Industries

# BDO USA, LLP

*The Results*

ZoomInfo continues to help BDO **efficiently execute our go-to-market approach**. Business developers and marketing team members **spend less time researching** and **more time focused on generating new business** and managing client engagements.

### *The Challenge*

In 2019, BDO launched a multifaceted firmwide initiative to improve performance through technology. Within this initiative, upgrading BDO's CRM platform and increasing efficiency in the firm's go-to-market strategy were identified as priority areas by Business Development & Marketing.

### *The Solution*

BDO enlisted ZoomInfo to enrich existing data in our CRM platform, purging duplicative contacts and updating outdated records while making sure proper data hygiene was applied to new records. ZoomInfo also helped streamline how we locate specific accounts and contact details, making critical information easier to find.

**BDO USA, LLP delivers assurance, tax, and financial advisory services to clients throughout the country and around the globe.**

**We offer numerous industry-specific practices, world-class resources, and an unparalleled commitment to meeting our clients' needs.**

zoominfo

# Q1 2021
# Financial Results

May 3, 2021

# Financial Results Overview

**Henry Schuck**
Founder and CEO

**Cameron Hyzer**
CFO

## Financial Results

We continued the strong momentum from 2020 into the first quarter of the year, as we delivered 50% revenue growth and an adjusted operating income margin of 43%[1] - an industry-leading combination of durable revenue growth and profitability.

## Broad-Based Strength

We saw strength in all areas of the business, highlighted by particular strength with enterprise customers and internationally. We closed the quarter with more than 950 customers with >$100k in ACV, and in the first quarter of 2021, international revenue grew 14% on a days adjusted sequential quarter basis.

## 2021 Guidance

With 2021 already off to such a strong start we are increasing our financial guidance for the year. We now expect 2021 revenue of $670 - $676 million and Adjusted Operating Income in the range of $290 - $294 million, up from our prior guidance of FY 2021 revenue in the range of $645 - $655 million and FY 2021 Adjusted Operating Income in the range of $280 - $285 million.

**>20,000**

**Paying Customers[2]**

**>950**

**Customers with > $100k in ACV[2]**

### 2021 Guidance (as of 5/3/21)

**$670 - $676 million**

**FY 2021 Revenue**

**$290 - $294 million**

**FY 2021 Adjusted Operating Income**

zoominfo

1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation
2. As of or through March 31, 2021 as applicable

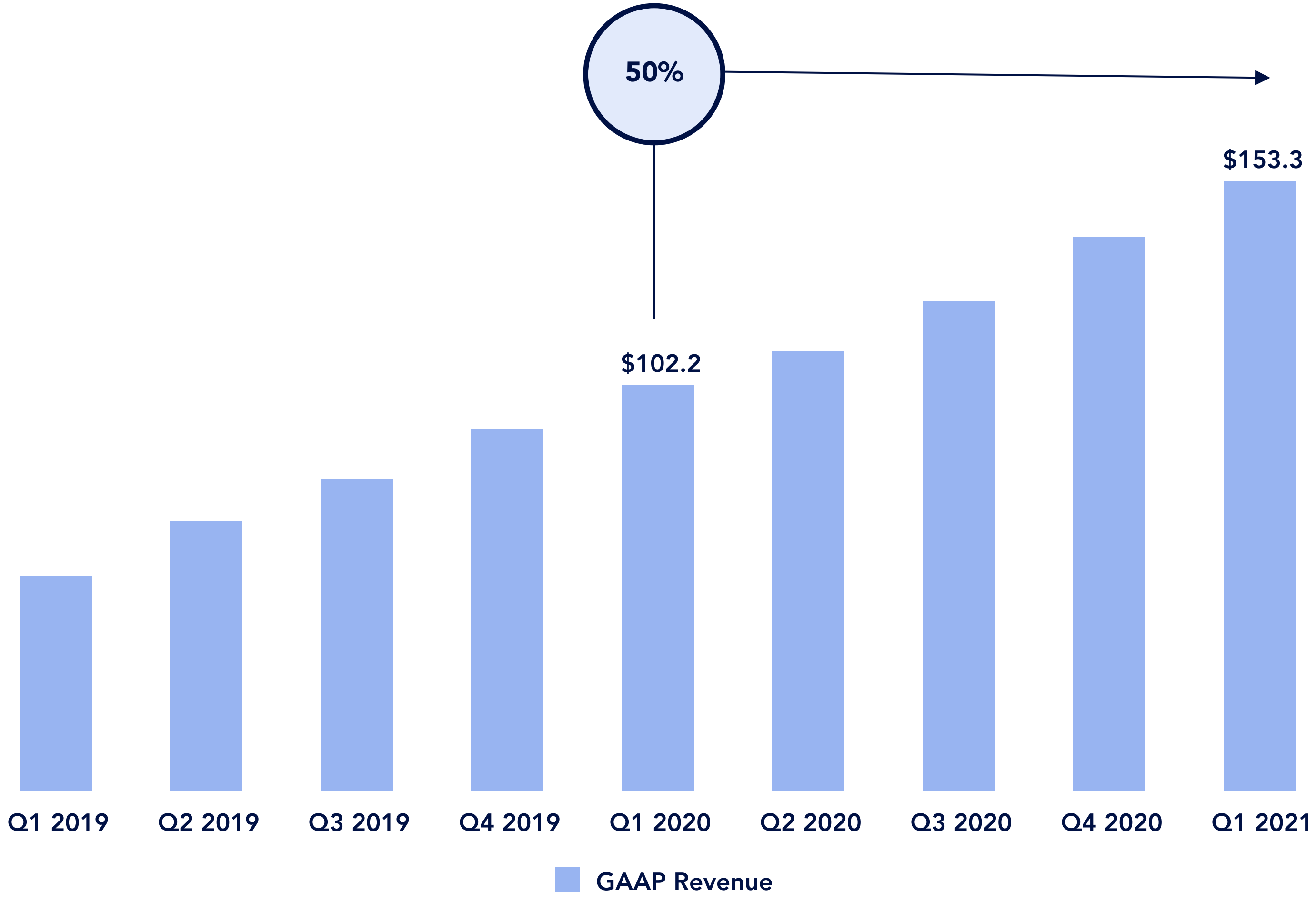
# Q1 2021 Financial Summary (Unaudited)

| | GAAP | | | Non-GAAP[1] | |
|---|---|---|---|---|---|
| | Quarterly Results | Increase YoY | | Quarterly Results | Increase YoY |
| Revenue[2] | $153.3 | 50% | | | |
| Operating Income | $28.0 | 38% | Adjusted Operating Income | $66.1 | 35% |
| Operating Income Margin | 18% | | Adjusted Operating Income Margin | 43% | |
| Net Income Per Share (Diluted) | $0.02 | | Adjusted Net Income Per Share (Diluted) | $0.13 | |
| Cash Flow from Operating Activities | $93.0 | 229% | Unlevered Free Cash Flow | $97.5 | 77% |

($mm, except per share amounts)

1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation

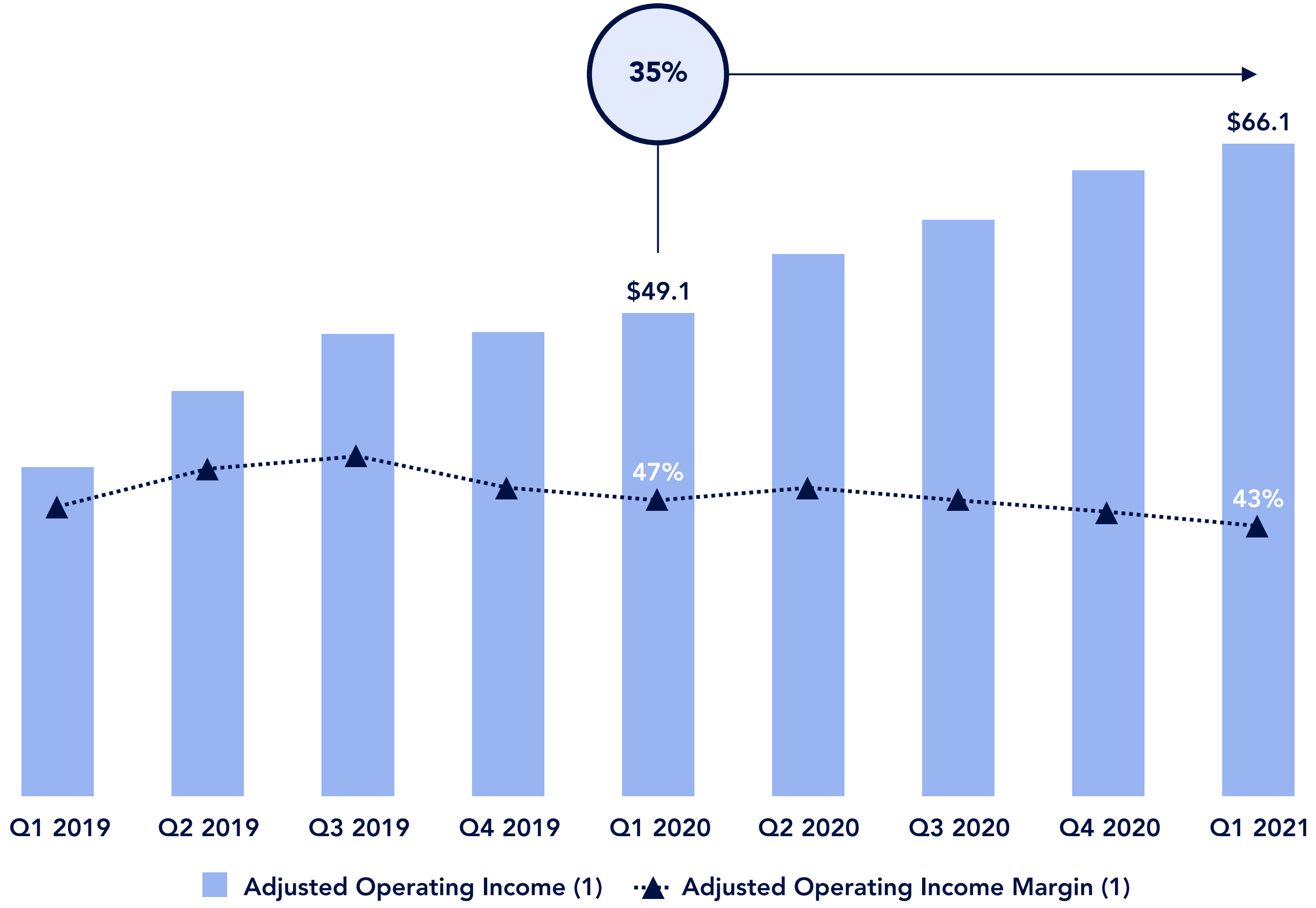
# GAAP Revenue Growth ($mm)




Q1 2021
YoY Growth
**50%**

zoominfo

# Adjusted Operating Income ($mm) and Margin[1]




## Q1 2021

**43%**

Adjusted Operating Income Margin[1]

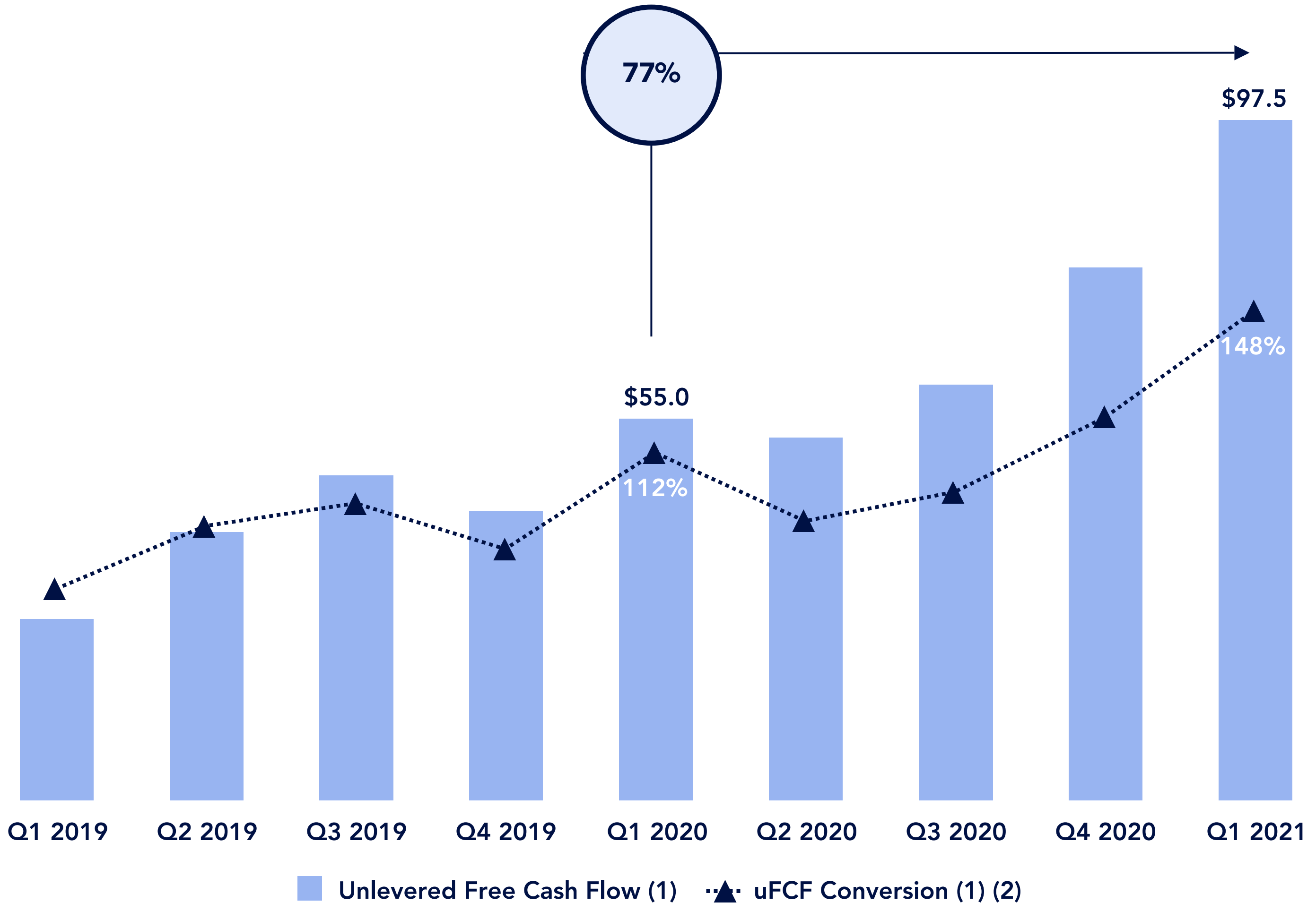
**35%**

YoY Growth in Adjusted Operating Income[1]

zoominfo

1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation

# Unlevered Free Cash Flow (uFCF) and uFCF Conversion[1][2]




## Q1 2021

**148%**

Unlevered free cash flow conversion[1][2]

**63%**

Unlevered Free Cash Flow Margin[1]

1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation
2. Unlevered Free Cash Flow Conversion defined as Unlevered Free Cash Flow divided by Adjusted Operating Income

# Balance Sheet Highlights and Net Leverage

| ($ in Millions, except Net Leverage Ratio) | As of December 31, 2020 | As of March 31, 2021 |
|---|---|---|
| Cash, cash equivalents, restricted cash, and short-term investments | $301.6 | $355.8 |
| Total contractual maturity of outstanding indebtedness | $756.4 | $750.0 |
| Trailing Twelve Months (TTM) Adjusted EBITDA[(1)] | $234.8 | $252.6 |
| Net Leverage ratio[(2)] | 1.9x | 1.6x |
| Net Leverage ratio (Credit Agreement EBITDA)[(3)] | 1.6x | 1.2x |
| Total Unearned Revenue | $222.7 | $261.9 |
| Current remaining performance obligations | $432.2 | $461.3 |
| Total remaining performance obligations | $559.0 | $591.6 |

zoominfo

1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation
2. Defined as total contractual maturity of outstanding indebtedness less cash and cash equivalents, restricted cash, and short-term investments divided by TTM Adjusted EBITDA, expressed as a ratio
3. Defined as total contractual maturity of outstanding indebtedness less cash and cash equivalents, restricted cash, and short-term investments divided by TTM Credit Agreement, EBITDA expressed as a ratio

# Guidance (as of May 3, 2021)[1]

| | Q2 2021 | FY 2021 (as of 2/22/2021) | FY 2021 (as of 5/3/2021) |
|---|---|---|---|
| GAAP Revenue | $161 - $163 million | $645 - $655 million | $670 - $676 million |
| Adjusted Operating Income[1] | $68 - $70 million | $280 - $285 million | $290 - $294 million |
| Adjusted Net Income Per Share[1] | $0.11 - $0.12 | $0.47 - $0.49 | $0.49 - $0.50 |
| Unlevered Free Cash Flow[1] | *Not guided* | $270 - $280 million | $290 - $295 million |
| Weighted Average Shares Outstanding | 405 million | 405 million | 405 million |

1. We do not provide a quantitative reconciliation of the forward-looking non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures due to the high variability and difficulty to predict certain items excluded from these non-GAAP financial measures; in particular, the effects of stock-based compensation expense, taxes and amounts under the exchange tax receivable agreement, deferred tax assets and deferred tax liabilities, and restructuring and transaction expenses. We expect the variability of these excluded items may have a significant, and potentially unpredictable, impact on our future GAAP financial results.

# Non-GAAP Reconciliations

# Non-GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with GAAP, this presentation contains non-GAAP financial measures, including Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Income, Adjusted Net Income Per Share, Unlevered Free Cash Flow, Unlevered Free Cash Flow Conversion, TTM Adjusted EBITDA, Net Leverage Ratio, Adjusted Gross Margin, Adjusted Sales and Marketing Expense, Adjusted Research and Development Expense, and Adjusted General and Administrative Expense. We believe these non-GAAP measures are useful to investors in evaluating our operating performance because they eliminate certain items that affect period-over-period comparability and provide consistency with past financial performance and additional information about our underlying results and trends by excluding certain items that may not be indicative of our business, results of operations, or outlook.

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 at the end of this presentation for each historical non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. We do not provide a quantitative reconciliation of the forward-looking non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures due to the high variability and difficulty to predict certain items excluded from these non-GAAP financial measures; in particular, the effects of stock-based compensation expense, taxes and amounts under the exchange tax receivable agreement, deferred tax assets and deferred tax liabilities, and restructuring and transaction expenses. We expect the variability of these excluded items may have a significant, and potentially unpredictable, impact on our future GAAP financial results.

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

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 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.

# Non-GAAP Financial Measures

We define Unlevered Free Cash Flow as net cash provided from operating activities less (i) purchases of property and equipment and other assets, plus (ii) cash interest expense, (iii) cash payments related to restructuring and transaction-related expenses, and (iv) cash payments relating to integration costs and acquisition-related compensation. We define Unlevered Free Cash Flow Margin as Unlevered Free Cash Flow divided by the sum of revenue and the amortization of the impact of fair value adjustments to acquired unearned revenue. Unlevered Free Cash Flow 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. Unlevered Free Cash Flow 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. Unlevered Free Cash Flow does not represent residual cash flow available for discretionary expenditures since, among other things, we have mandatory debt service requirements.

We define Net Leverage Ratio as the total contractual maturity of outstanding indebtedness less cash and cash equivalents, divided by our Adjusted EBITDA for the 12 months ended as of such date. EBITDA is defined as earnings before debt-related costs, including interest and loss on debt 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 and Net Leverage Ratio should not be considered as an alternative to other ratios of GAAP earnings to indebtedness.

We define Adjusted Gross Profit as gross profit plus (i) equity-based compensation expense included as part of Cost of Service, and (ii) integration and deal related compensation included as part of Cost of Service, and (iii) amortization of acquired technology. Adjusted Gross Margin is Adjusted Gross Profit divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

We define Adjusted Sales and Marketing Expense as sales and marketing expense less (i) integration and deal related compensation expense, and (ii) the equity-based compensation expense included as part of sales and marketing expense. Adjusted Sales and Marketing as a percentage of Adjusted Revenue is Adjusted Sales and Marketing divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

We define Adjusted Research and Development Expense as research and development expense less (i) integration and deal related compensation expense, and (ii) the equity-based compensation expense included as part of research and development expense. Adjusted Research and Development as a percentage of Adjusted Revenue is Adjusted Research and Development divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

We define Adjusted General and Administrative Expense as general and administrative expense, less (i) integration and deal related compensation expense, and (ii) the equity-based compensation expense included as part of general and administrative expense. Adjusted General and Administrative as a percentage of Adjusted Revenue is Adjusted General and Administrative divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

We define annual net revenue retention as the total ACV generated by our customers and customers of Pre-Acquisition ZI at the end of the year divided by the ACV generated by the same group of customers at the end of the prior year.

# Reconciliation from GAAP Net Income (Loss) to Adjusted Operating Income

| ($ in Millions) | Q1 2020 | Q1 2021 |
|---|---|---|
| **Net income (loss)** | **$(5.9)** | **$(33.9)** |
| Add (less): Expense (benefit) from income taxes | (0.4) | 49.7 |
| Add: Interest expense, net | 24.5 | 6.5 |
| Add: Loss on debt extinguishment | 2.2 | 5.9 |
| Add (less): Other expense (income), net | (0.1) | (0.2) |
| **Income (loss) from operations** | **20.3** | **28.0** |
| Add: Impact of fair value adjustments to acquired unearned revenue | 1.4 | 0.6 |
| Add: Amortization of acquired technology | 5.6 | 6.7 |
| Add: Amortization of other acquired intangibles | 4.6 | 4.8 |
| Add: Equity-based compensation | 11.3 | 18.1 |
| Add: Restructuring and transaction-related expenses | 2.9 | 4.4 |
| Add: Integration costs and acquisition-related expenses | 3.0 | 3.4 |
| **Adjusted Operating Income** | **$49.1** | **$66.1** |
| Revenue | 102.2 | 153.3 |
| Impact of fair value adjustments to acquired unearned revenue | 1.4 | 0.6 |
| Revenue for adjusted operating margin calculation | 103.6 | 154.0 |
| *Adjusted Operating Income Margin* | *47%* | *43%* |

# Reconciliation from GAAP Net Income (Loss) to Credit Agreement EBITDA

| ($ in Millions) | Trailing Twelve Months as of March 31, 2020 | Trailing Twelve Months as of March 31, 2021 |
|---|---|---|
| **Net income (loss)** | **$(43.8)** | **$(64.4)** |
| Income tax expense (benefit) | (3.6) | 54.8 |
| Interest expense, net | 103.5 | 51.2 |
| Loss on debt extinguishment | 2.2 | 18.6 |
| Depreciation | 6.9 | 10.9 |
| Amortization of acquired technology | 25.1 | 24.4 |
| Amortization of other acquired intangibles | 18.5 | 18.9 |
| **EBITDA** | 108.8 | 114.5 |
| Other (income) expense, net | (0.1) | (15.5) |
| Impact of fair value adjustments to acquired unearned revenue | 25.1 | 1.9 |
| Equity-based compensation expense | 30.8 | 128.4 |
| Restructuring and transaction related expenses | 10.7 | 14.0 |
| Integration costs and acquisition-related expenses | 16.1 | 9.4 |
| **Adjusted EBITDA** | 191.4 | 252.6 |
| Unearned revenue adjustment | 43.5 | 83.3 |
| Pro forma cost savings | 7.2 | — |
| Cash rent adjustment | 2.2 | 1.0 |
| Other lender adjustments | 0.6 | (1.1) |
| **Credit Agreement EBITDA** | **245.0** | **335.7** |

# Reconciliation from GAAP Operating Cash Flow to Unlevered Free Cash Flow

| ($ in Millions) | Q1 2020 | Q1 2021 |
|---|---|---|
| **Cash flow from operating activities** | **$28.3** | **$93.0** |
| Interest paid in cash | 23.3 | 6.8 |
| Purchases of property and equipment and other assets | (4.1) | (4.7) |
| Restructuring and transaction-related expenses paid in cash | 3.9 | 1.1 |
| Integration costs and acquisition-related compensation paid in cash | 3.6 | 1.3 |
| **Unlevered Free Cash Flow** | **$55.0** | **$97.5** |
| Adjusted Operating Income | 49.1 | 66.1 |
| **Unlevered Free Cash Flow conversion** | **112%** | **148%** |
| Revenue | 102.2 | 153.3 |
| Impact of fair value adjustments to acquired unearned revenue | 1.4 | 0.6 |
| Revenue for uFCF margin calculation | 103.6 | 153.9 |
| **Unlevered Free Cash Flow Margin** | **53%** | **63%** |

# Reconciliation from GAAP Net Income (Loss) to Adjusted Net Income Per Share

| Three months ended March 31, 2021 ($ in millions) | GAAP | Margin% | Equity-based Compensation | Amortization of Acquired Intangibles and Fair Value Adjustments from Acquisitions | Transaction Related Expenses | Tax Impacts of Adjustments and TRA | As Adjusted | Adjusted Margin % |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **$153.3** | | **$—** | **$0.6** | **$—** | **$—** | **$153.9** | |
| Cost of service | 21.4 | 14% | (3.5) | — | (0.5) | — | 17.4 | 11% |
| Amortization of acquired technology | 6.7 | 4% | 0.0 | (6.7) | — | — | — | |
| **Gross profit** | **125.2** | **82%** | **3.5** | **7.3** | **0.5** | **—** | **136.5** | 89% |
| Sales and marketing | 48.8 | 32% | (8.4) | — | (0.6) | — | 39.9 | 26% |
| Research and development | 20.4 | 13% | (2.6) | — | (1.8) | — | 16.0 | 10% |
| General and administrative | 18.8 | 12% | (3.6) | — | (0.5) | — | 14.7 | 10% |
| Amortization of other acquired intangibles | 4.8 | | — | (4.8) | — | — | — | |
| Restructuring and transaction related expenses | 4.4 | | — | — | (4.4) | — | — | |
| Total operating expenses | 97.2 | | (14.6) | (4.8) | (7.3) | — | 70.6 | |
| **Income (loss) from operations** | **$28.0** | **18%** | **$18.1** | **$12.1** | **$7.8** | **$—** | **$66.1** | **43%** |
| Interest expense, net | 6.5 | | — | — | — | — | 6.5 | |
| Loss on debt extinguishment | 5.9 | | — | — | (5.9) | — | — | |
| Other (income) expense, net, excluding TRA liability remeasurement (benefit) expense | (0.2) | | — | — | — | | (0.2) | |
| **Income (loss) before income taxes** | **15.8** | | **18.1** | **12.1** | **13.7** | **—** | **59.8** | |
| Income tax expense (benefit) | (49.7) | | — | — | — | 40.6 | (9.1) | |
| **Net income (loss)** | **$(33.9)** | **(22)%** | **$18.1** | **$12.1** | **$13.7** | **$40.6** | **$50.7** | **33%** |
| **Diluted net income (loss) per share** | **$0.02** | | | | | | **$0.13** | |
| Class A WASO – diluted (in millions) | 192 | | | | | | 404 | |

# Reconciliation from GAAP Net Income (Loss) to Adjusted Net Income Per Share

| Three months ended March 31, 2020 ($ in millions) | GAAP | Margin% | Equity-based Compensation | Amortization of Acquired Intangibles and Fair Value Adjustments from Acquisitions | Transaction Related Expenses | Tax Impacts of Adjustments and TRA | As Adjusted | Adjusted Margin % |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **$102.2** | | **$—** | **$1.4** | **$—** | **$—** | **$103.6** | |
| Cost of service | 14.8 | 14% | (1.7) | — | (0.1) | — | 13.0 | 13% |
| Amortization of acquired technology | 5.6 | 5% | — | (5.6) | — | — | — | |
| **Gross profit** | **81.8** | **80%** | **1.7** | **7.0** | **0.1** | **—** | **90.6** | **87%** |
| Sales and marketing | 34.1 | 33% | (6.4) | — | (1.0) | — | 26.7 | 26% |
| Research and development | 9.9 | 10% | (1.6) | — | (1.6) | — | 6.6 | 6% |
| General and administrative | 10.0 | 10% | (1.6) | — | (0.2) | — | 8.1 | 8% |
| Amortization of other acquired intangibles | 4.6 | | — | (4.6) | — | — | — | |
| Restructuring and transaction related expenses | 2.9 | | — | — | (2.9) | — | — | |
| Total operating expenses | 61.5 | | (9.6) | (4.6) | (5.7) | — | 41.5 | |
| **Income from operations** | **$20.3** | **20%** | **$11.3** | **$11.6** | **$5.8** | **$—** | **$49.1** | **47%** |
| Interest expense, net | 24.5 | | — | — | — | — | 24.5 | |
| Loss on debt extinguishment | 2.2 | | — | — | (2.2) | — | — | |
| Other (income) expense, net, excluding TRA liability remeasurement (benefit) expense | (0.1) | | — | — | — | — | (0.1) | |
| **Income (loss) before income taxes** | **(6.3)** | | **11.3** | **11.6** | **8.0** | **—** | **24.6** | |
| Income tax expense (benefit) | 0.4 | | — | — | — | (4.9) | (4.4) | |
| **Net income (loss)** | **$(5.9)** | **(6)%** | **$11.3** | **$11.6** | **$8.0** | **$(4.9)** | **$20.2** | **19%** |
| **Diluted net income (loss) per share** | **N/A** | | | | | | | |
| Class A WASO – diluted (in millions) | N/A | | | | | | | |