



Transforming financial services for **the better.**

First Quarter 2023 Review

May 2023

Disclaimer

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MeridianLink at a Glance

A leading provider of cloud-based software solutions for financial institutions

- ✓ Provider of SaaS-based lending, credit data and account opening solutions to financial institutions
- ✓ #54 on the IDC Global FinTech 100⁽¹⁾
- ✓ Headquartered in Costa Mesa, CA
- ✓ Founded in 1998
- ✓ Accelerating platform adoption and capabilities through recently completed acquisitions



Growth and Scale

\$292.4M

Total
Revenue

7%

Growth

\$217.1M

Lending Solutions
Revenue

19%

Growth

\$75.3M

Data Verification
Solutions Revenue

(16)%

Growth



Predictable, Recurring & Attractive Margin Profile

86%

Subscription Fee
Revenue

70%

Adj. Gross
Margin⁽²⁾

35%

Adj. EBITDA
Margin⁽²⁾

Note: Financial data as of the LTM period ending March, 31 2023.

(1) Source: 2022 IDC FinTech Rankings Top 100, as of September 2022

(2) Adj. EBITDA, Adj. EBITDA margin, and Adj. Gross Margin are non-GAAP measures. For a definition and reconciliation of Adj. EBITDA, Adj. EBITDA margin, and Adj. Gross Margin, please refer to the Appendix.

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Our Story

Successfully expanded solutions offerings and client base, achieving a strong track record of growth throughout our operating history



2023 and Beyond

Phase III of growth acceleration

- 1 Engage more deeply with customers through an effective Go-to-Market platform strategy
- 2 Expand the innovative capabilities of our platform, creating a best-of-breed solution that wins in the market
- 3 Empower customer growth with frictionless software solutions and access to hundreds of partners
- 4 Strengthen competitive positioning by acquiring differentiating capabilities and increasing market share
- 5 Structure organization to serve more customers with greater efficiency and accelerate ACV released



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Experienced Executive Leadership Team with a Proven Ability to Execute



Nicolaas Vlok

Chief Executive Officer

25+ years of experience



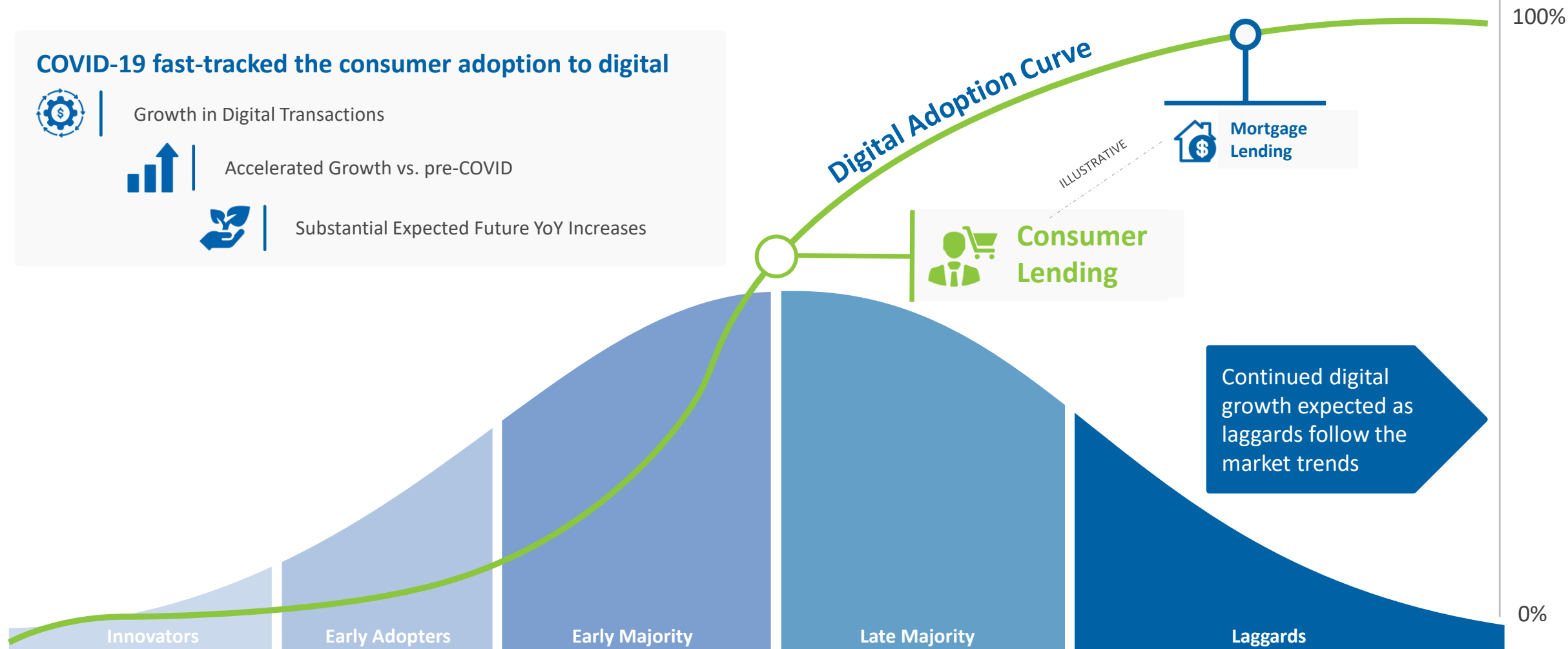
Sean Blitchok

Chief Financial Officer

25+ years of experience

Digital Lending Acceleration Has Been Dramatic

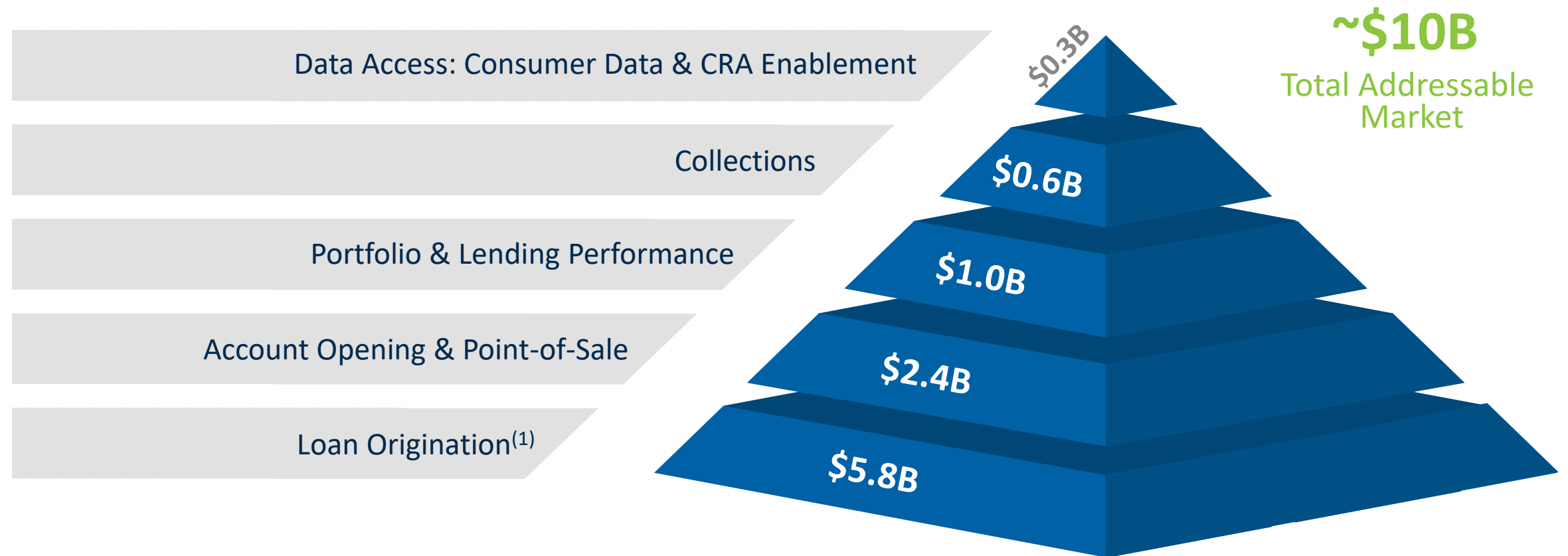
Consumer lending is at the forefront of a 10+ year digitalization opportunity



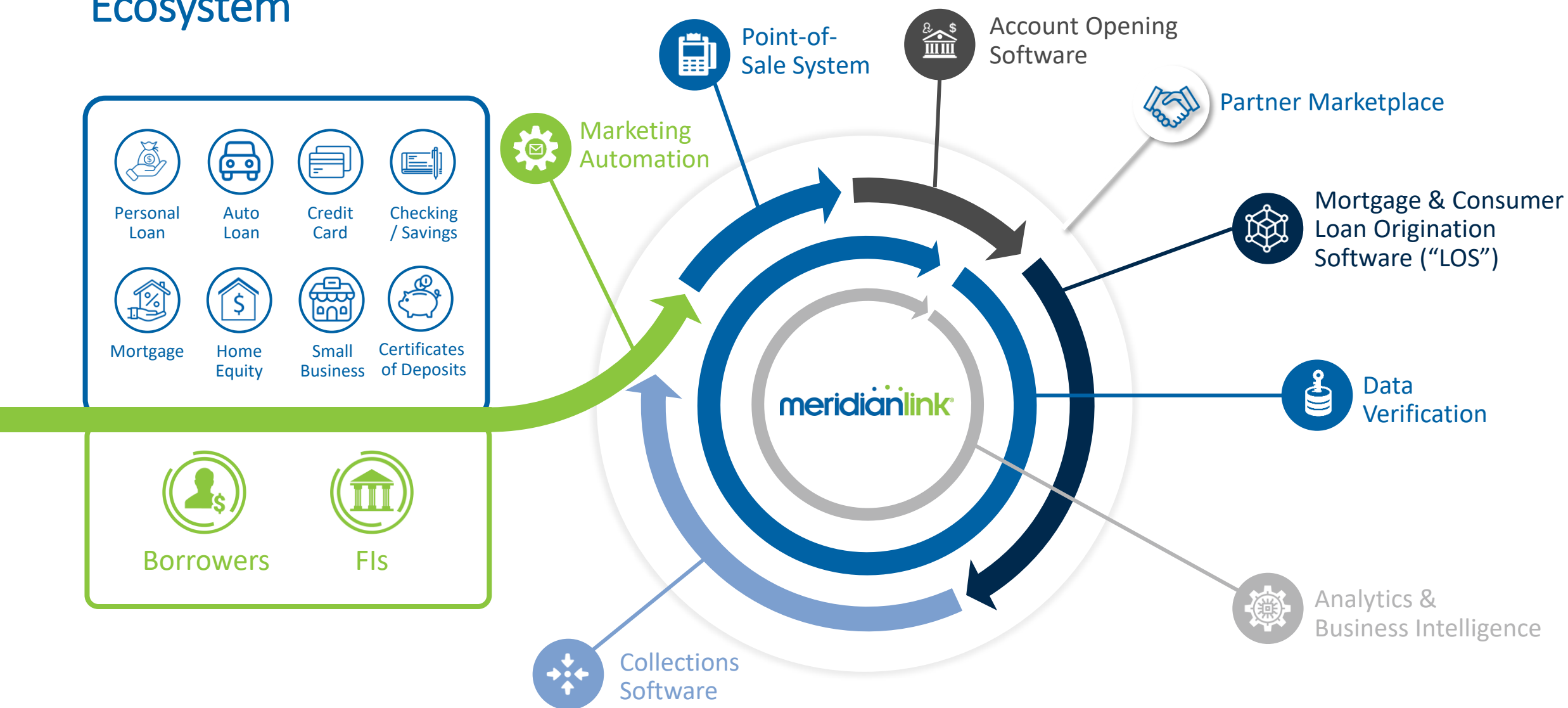
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Large TAM with Significant Runway

MeridianLink serves nearly the entire consumer lending wallet with significant opportunity to expand across the entire addressable market



MeridianLink's End-to-End Origination Solutions Sit at the Center of the FI Ecosystem



Purpose-Built, Consumer Lending Software Suite

Serving both Financial Institutions and CRA customers

Lending Solutions



Consumer LOS
meridianlink consumer

Consumer loan origination system and digital lending platform ensuring a frictionless consumer UI



Mortgage LOS
meridianlink mortgage

SaaS-based mortgage loan origination software designed to optimize the end-to-end process



White-Label Portal
meridianlink portal

White-label application portal maximizing digital lending profit and efficiency



Account Opening
meridianlink opening

Account opening and deposit software platform for all channels and financial product types



Collections Software
meridianlink collect

Robust, powerful, easy-to-use collection platform that maximizes efficiency and minimizes cost



Business Intelligence
meridianlink consulting

360-degree approach: from optimizing day-to-day operations to portfolio projections



Data Intelligence
meridianlink insight

Data intelligence solution delivering intuitive dashboards, reports and powerful exploratory sandbox



Marketing Automation
meridianlink engage

Personalized end-to-end consumer lending, account, and card marketing automation solution

Data Verification Solutions



Credit Verification
meridianlink creditAPI

Single API to access credit and verification data from dozens of resellers and servicers



Credit Engine
mortgage credit link

Plug-and-play, web-based order fulfillment hub for product ordering



TazWorks
A MeridianLink Company

End-to-end technology solution for the background screening industry



Partner Marketplace

meridianlink marketplace

Supports API and SSO integrations from MeridianLink's extensive partner marketplace

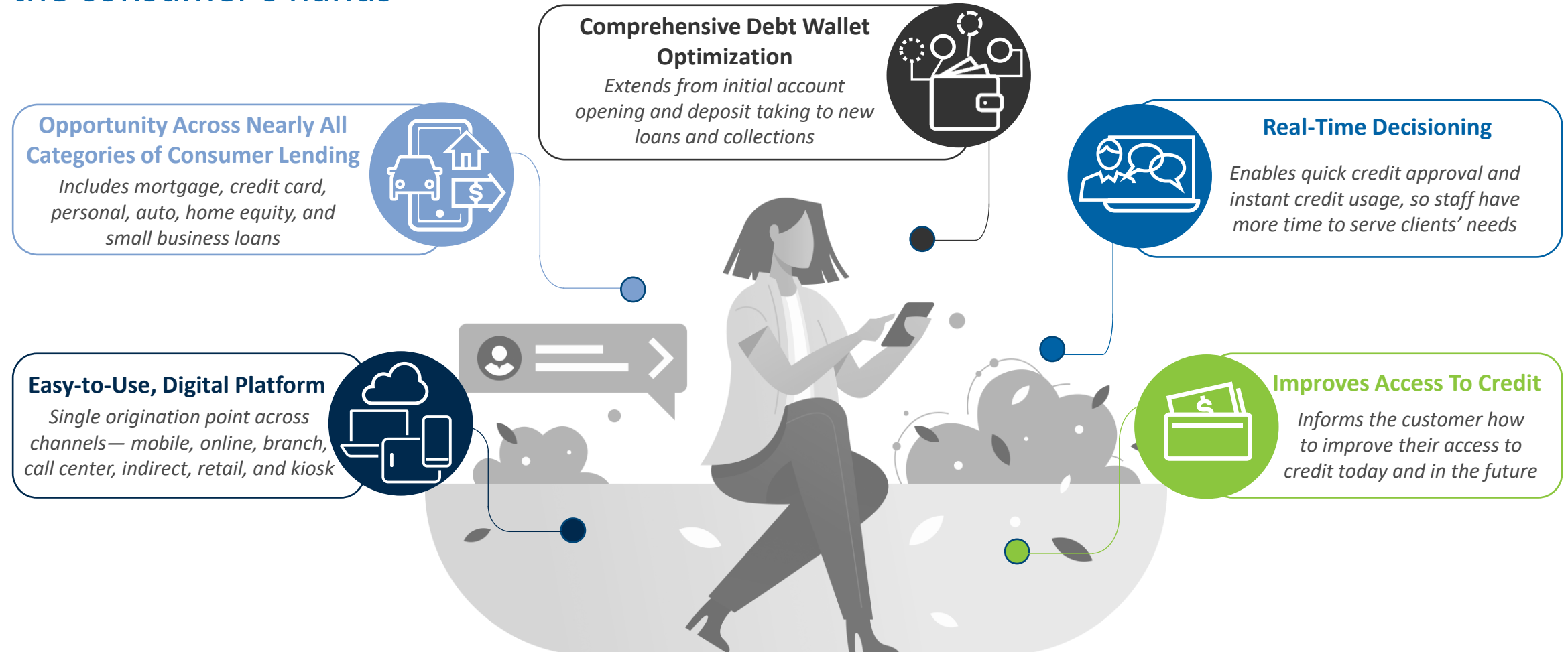
The Next-Generation Unified Platform

MeridianLink One unifies the financial institution experience with a powerful, integrated mid-market lending solution to originate consumer and mortgage loans



MeridianLink's Democratization of Credit

Our platform helps financial institutions bring equity to lending, placing power in the consumer's hands



Multi-Vector Growth Strategy

Multiple actionable initiatives to accelerate growth



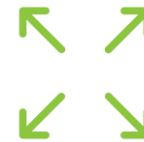
Capitalize on
Organic Volume
Growth



Add
New
Logos



Pursue
Unrealized
Upsell &
Cross-Sell



Expand
Product
Offerings



Enhance Partner
Marketplace
Monetization



Robust Pipeline
of M&A
Opportunities

Key Customer Themes Underpinning Growth



Paper-to-Digital Transition
in Target Market



Competition Among
Financial Institutions

Targeting New Logos and Expanding the Sweet Spot for Sales

Focused sales strategies to strategically grow FI base up and down market



Inside Sales



Multi-Pronged Direct Sales
Focused on Market Segments



Big Game Hunters

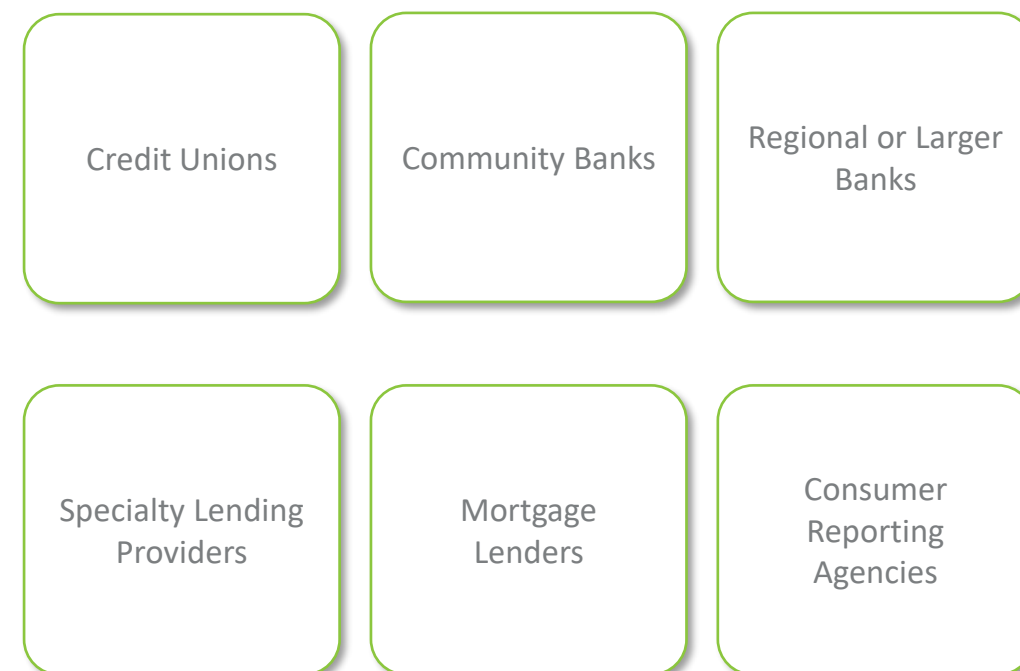
Monetizable, Stable Customer Base

Diverse customer base with massive embedded whitespace opportunity

Selected Customers

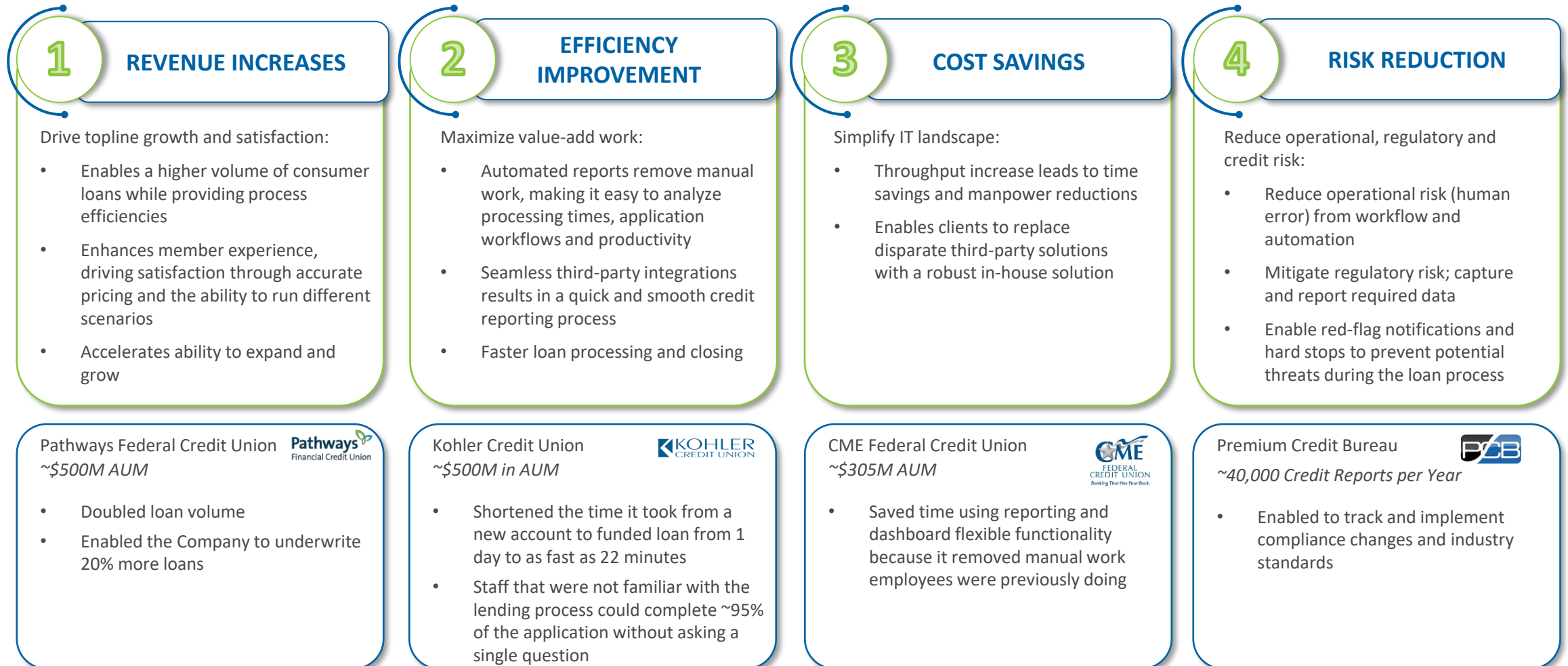


Sub-Verticals Served by over 2,000 customers⁽¹⁾



Key MeridianLink Value Drivers – Case Studies

Comprehensive platform of SaaS solutions allows us to continually innovate to address customer pain points and further their business objectives



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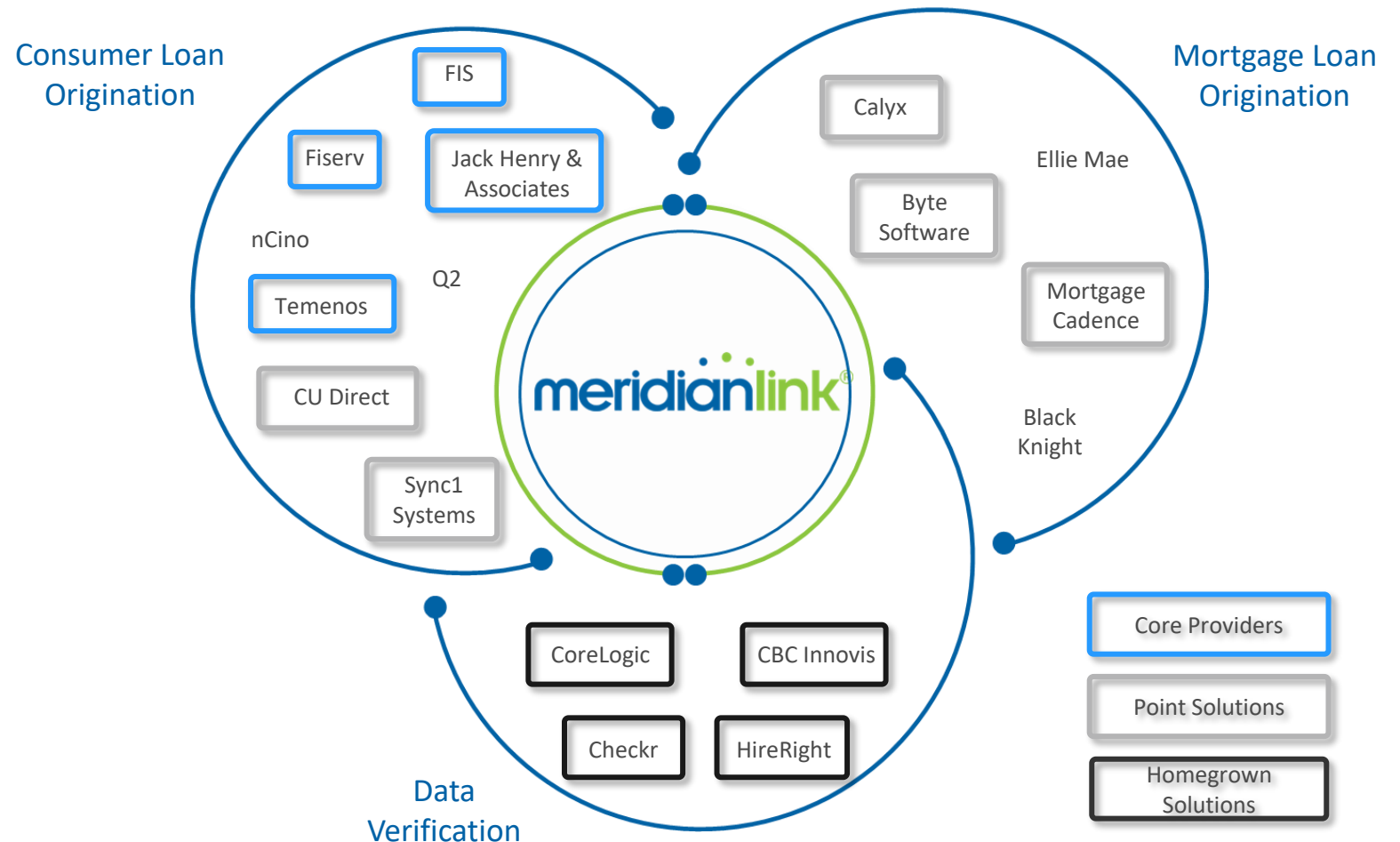
Competitive Landscape

Fragmented competitive landscape with numerous legacy solutions

meridianlink

The MeridianLink Solution

- ❖ Core competency and focus
 - ❖ Leading consumer lending software
 - ❖ Robust Partner Marketplace
 - ❖ Track record of innovation
 - ❖ Modern, scalable, web-based SaaS software
- ❖ Comprehensive and Integrated
 - ❖ Powerful loan decision engine
 - ❖ Full digital lending solution
 - ❖ Integrated capabilities for CRAs to meet complex data delivery requirements



Compelling Financial Story

Robust financial profile delivering growth at scale



\$292.4M

Total
Revenue

Demonstrable Scale

\$217.1M

Lending Solutions
Revenue

\$75.3M

Data Verification
Solutions Revenue



7%

Total Revenue
Growth

Attractive Growth

19%

Lending Solutions
Revenue Growth

(16)%

Data Verification
Solutions Revenue Growth



86%

Subscription Fee
Revenue

Strong Margin Profile

70%

Adj. Gross
Margin⁽¹⁾

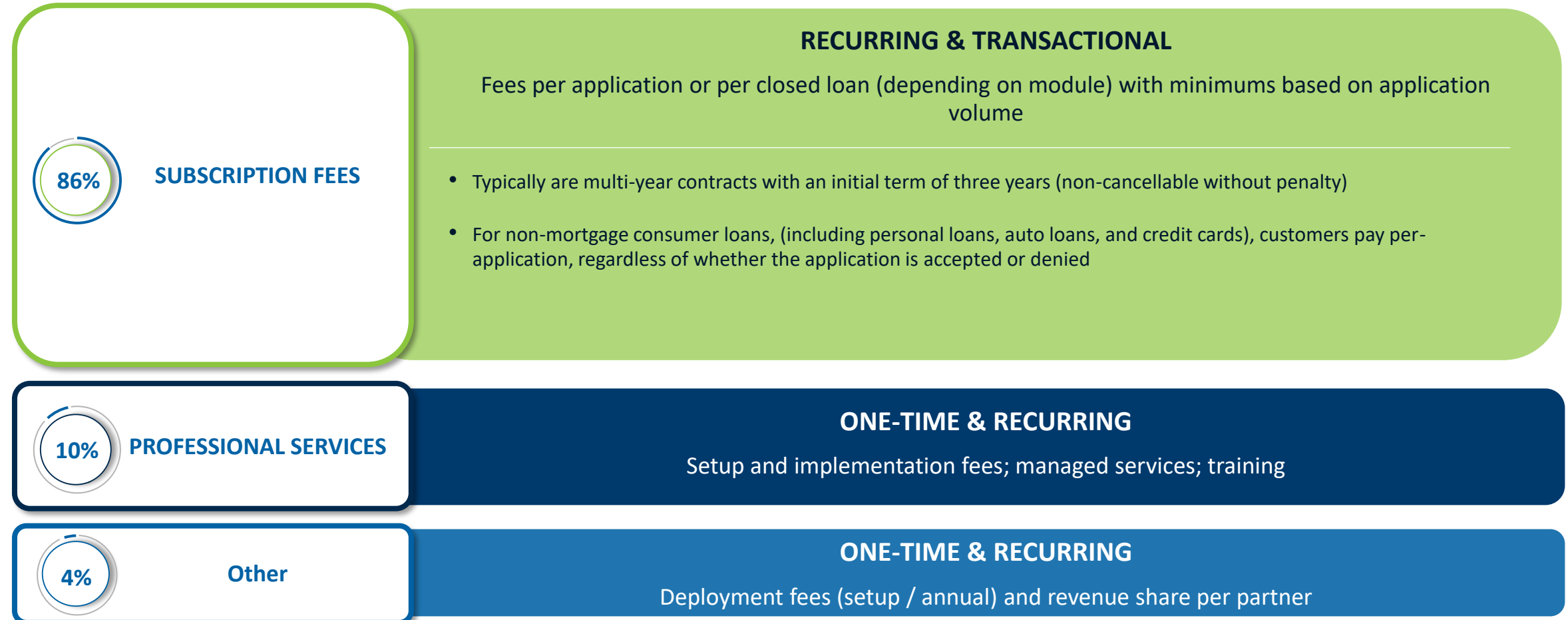
35%

Adj. EBITDA
Margin⁽¹⁾

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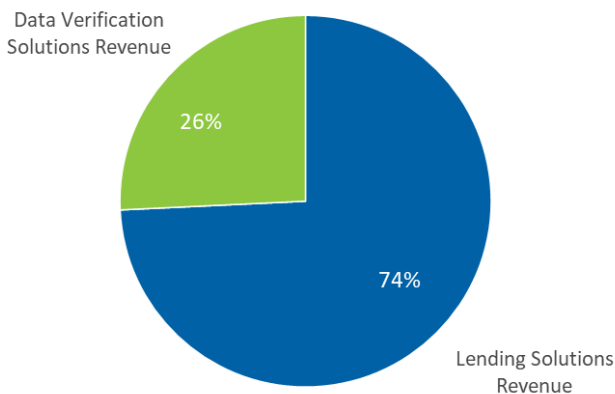
Revenue & Pricing Model Overview

Continuous monetization opportunities

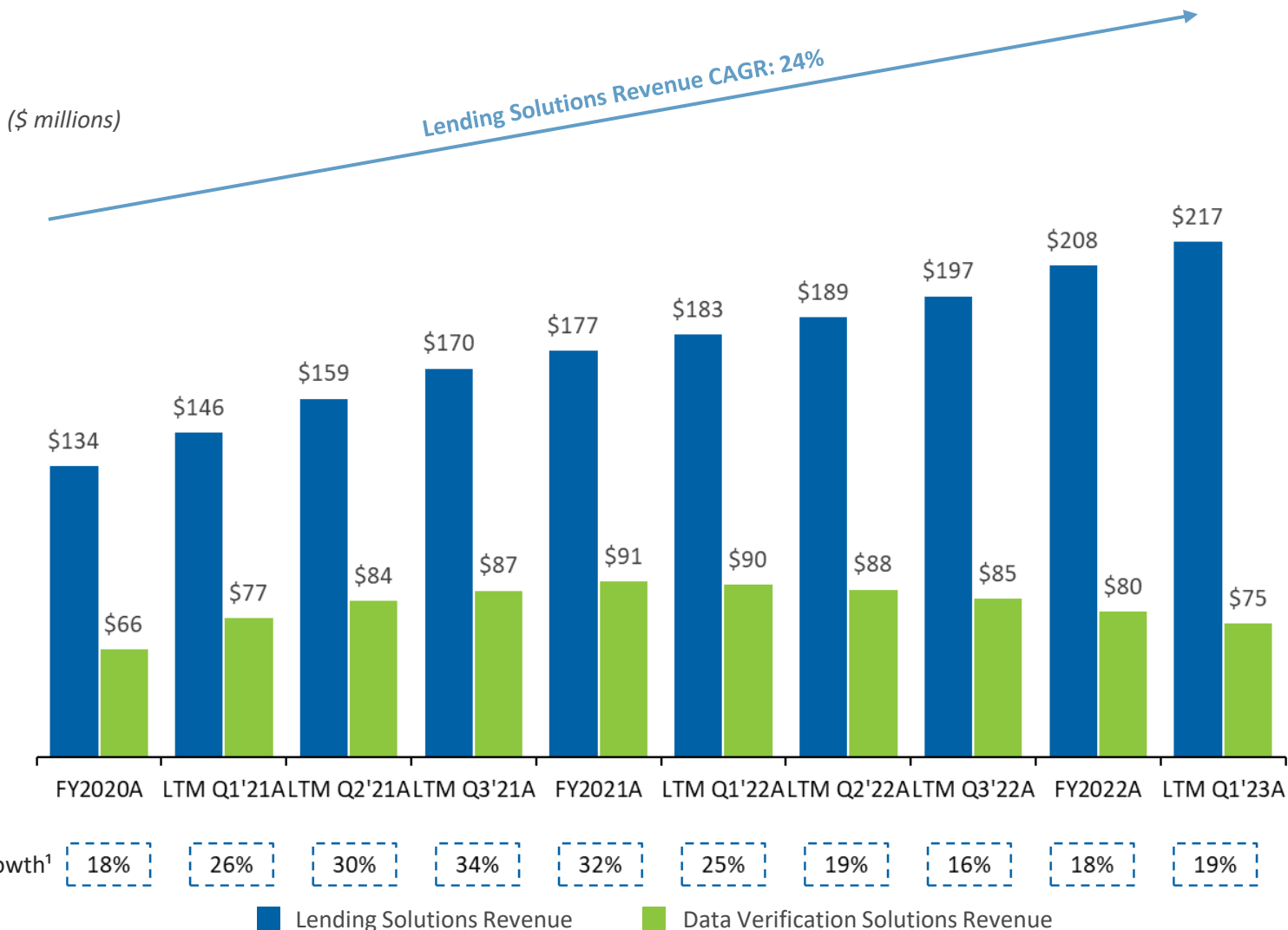
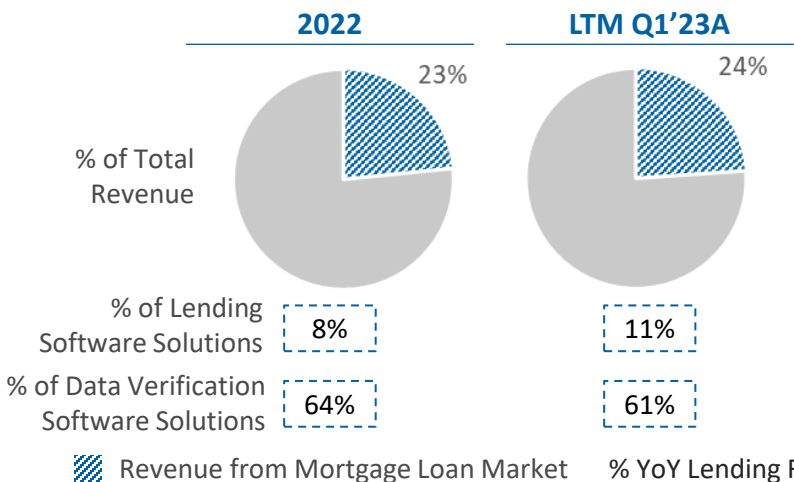


Lending Revenues Have Shown Continued Growth at Scale

LTM Q1'23A Total Revenue: \$292M



Mortgage Contribution to Revenue



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Recurring Revenue Growth at Scale

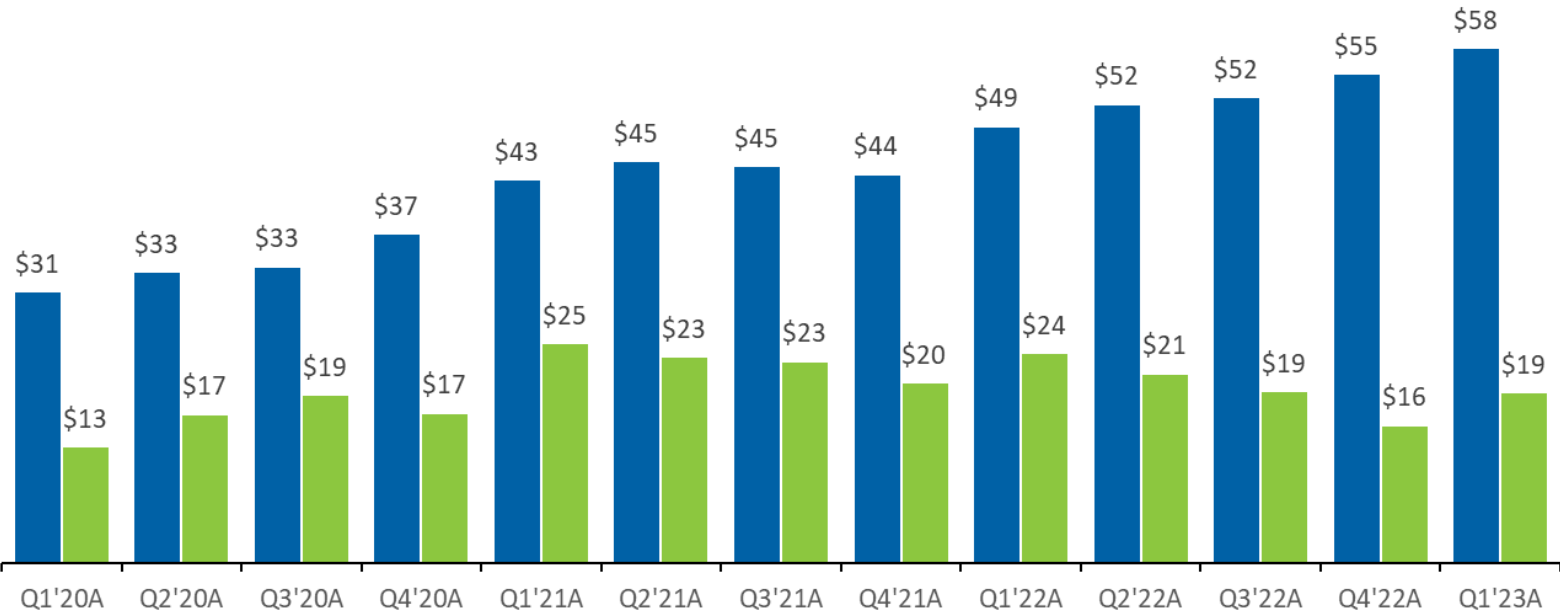
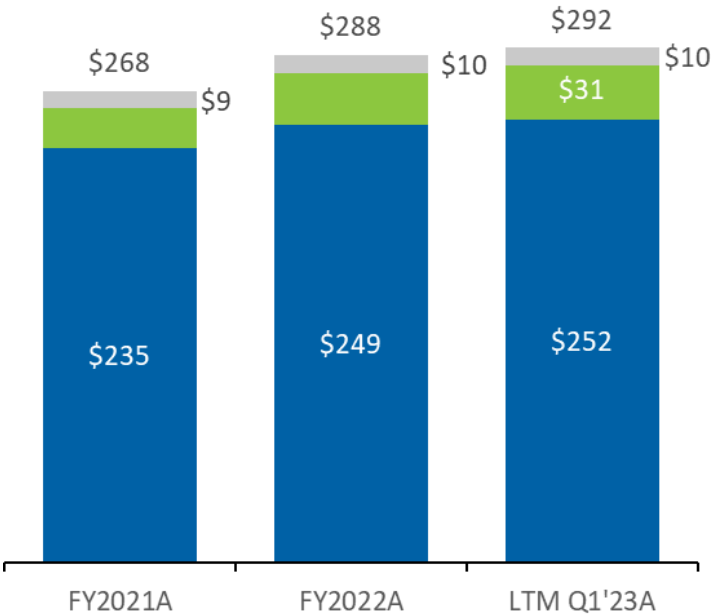
Historical Financials

Total Revenue

Quarterly Revenue Breakdown

(\$ millions)

(\$ millions)



% Subscription 88% 86% 86%

% YoY Total Revenue Growth ¹	55%	38%	29%	19%	7%	7%	7%	10%	6%
% YoY Lending Software Solutions Revenue Growth ¹	41%	38%	34%	18%	14%	14%	17%	26%	18%

Subscription Fees Professional Services Other

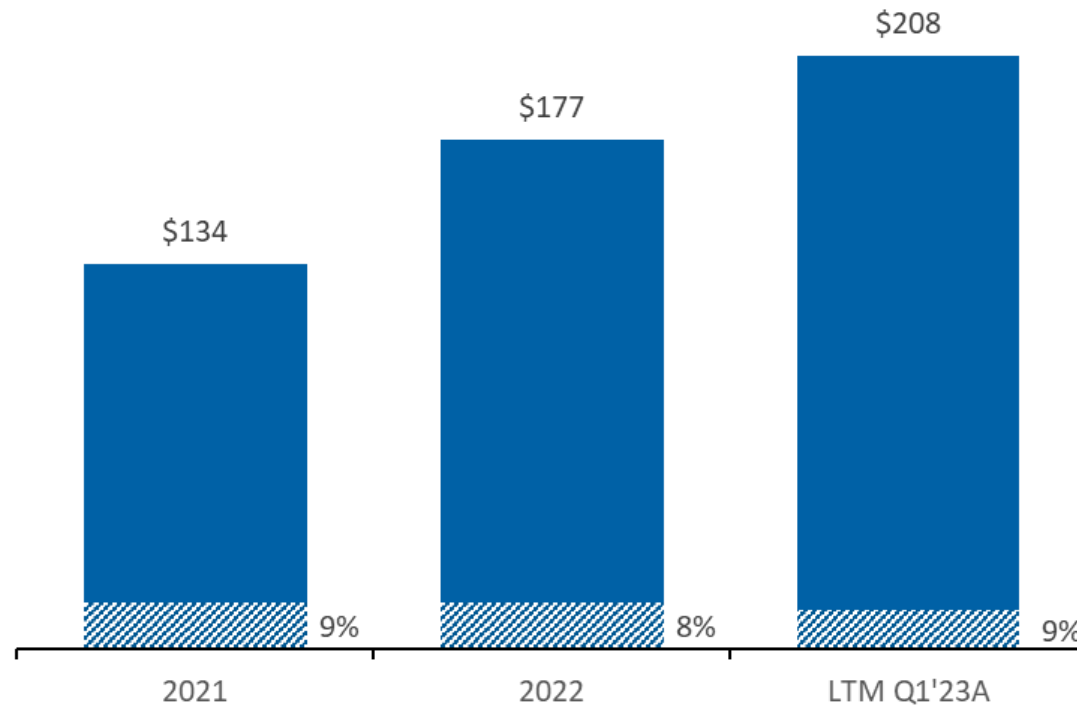
Lending Software Solutions Revenue Data Verification Software Solutions Revenue

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Mortgage Loan Market Contribution to Revenue

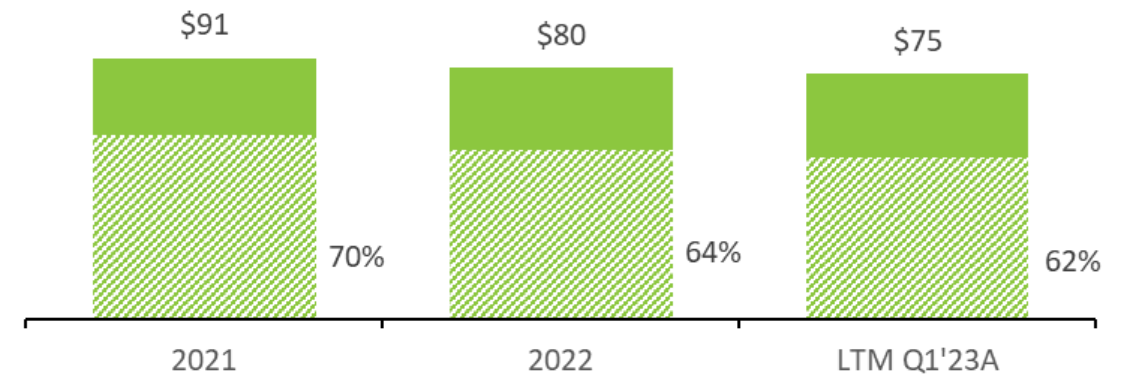
Lending Software Solutions

(\$ millions)



Data Verification Software Solutions

(\$ millions)

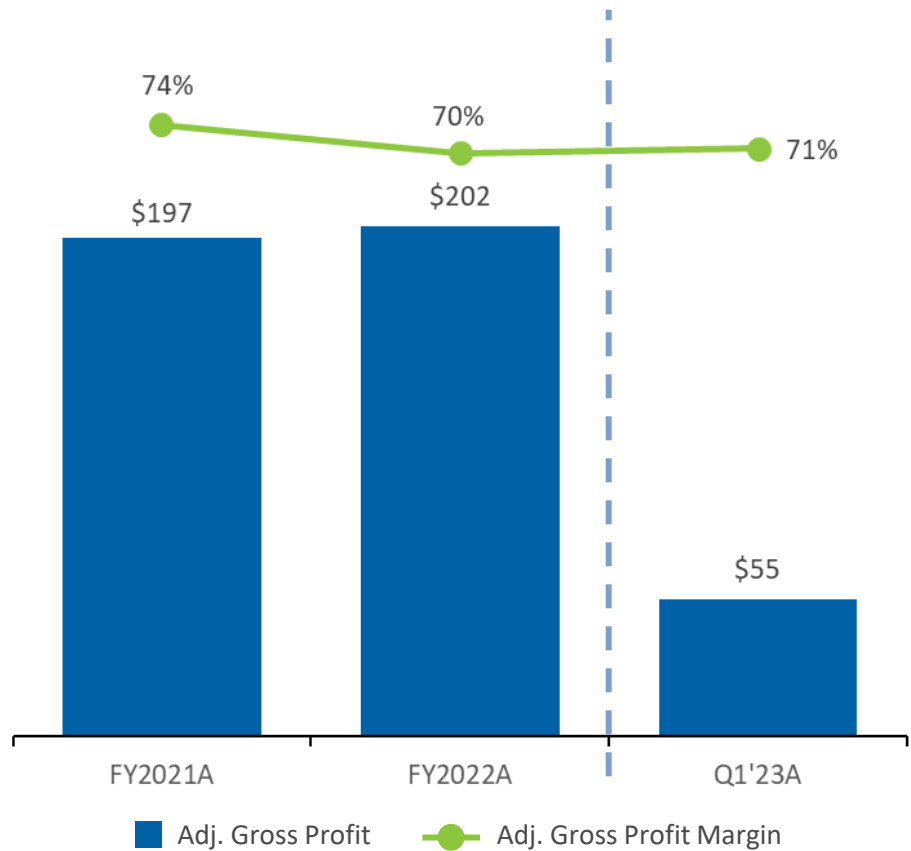


 Revenue from Mortgage Loan Market

Strong Margin Profile

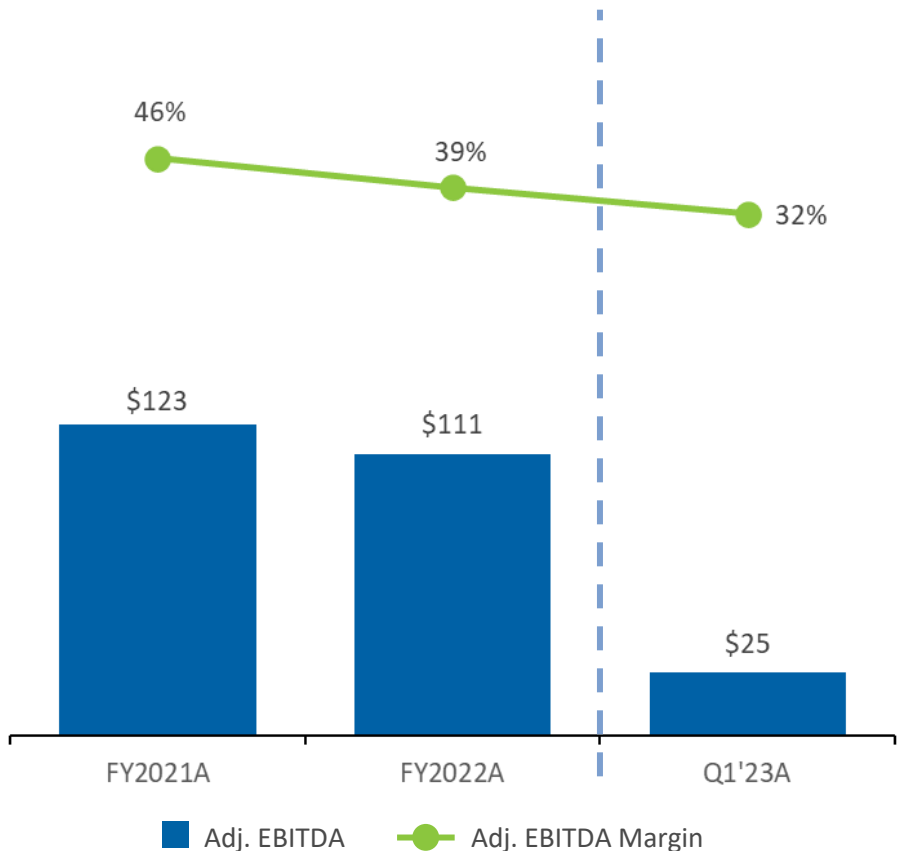
Adj. Gross Profit

(\$ millions)



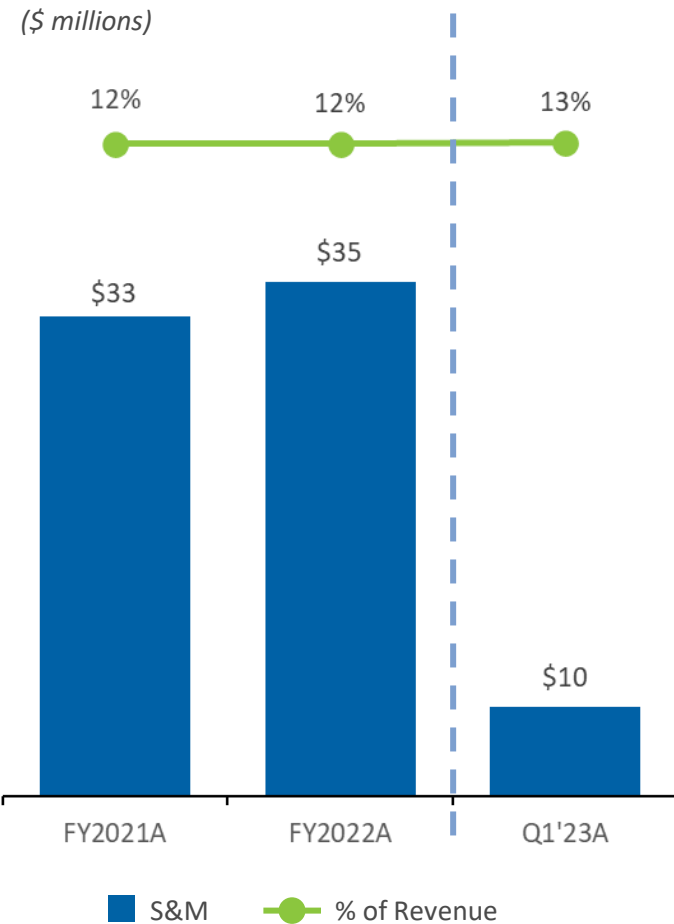
Adj. EBITDA

(\$ millions)

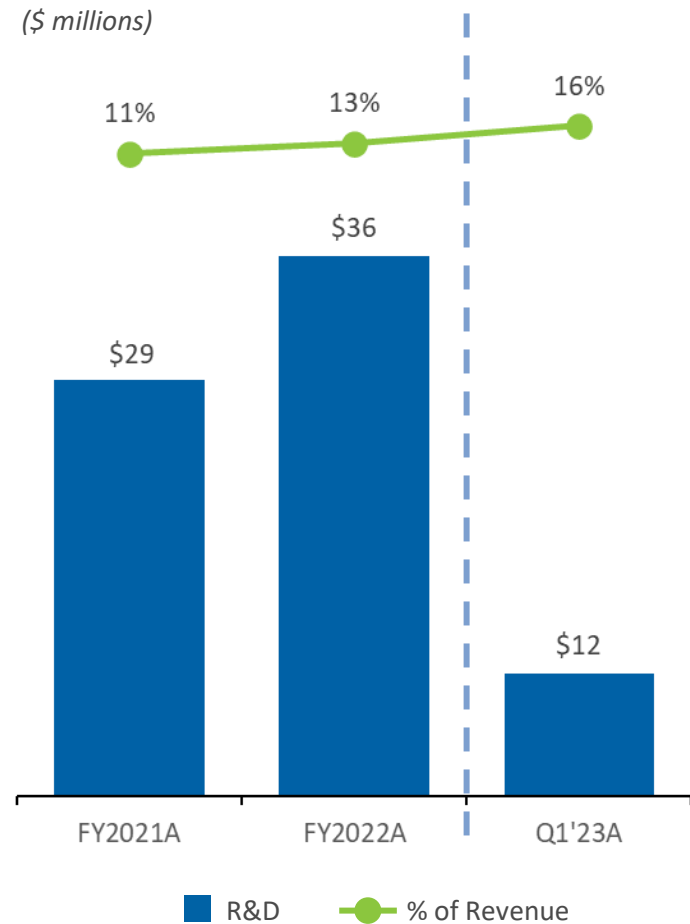


Capitalizing on Operating Leverage and Investing in Growth

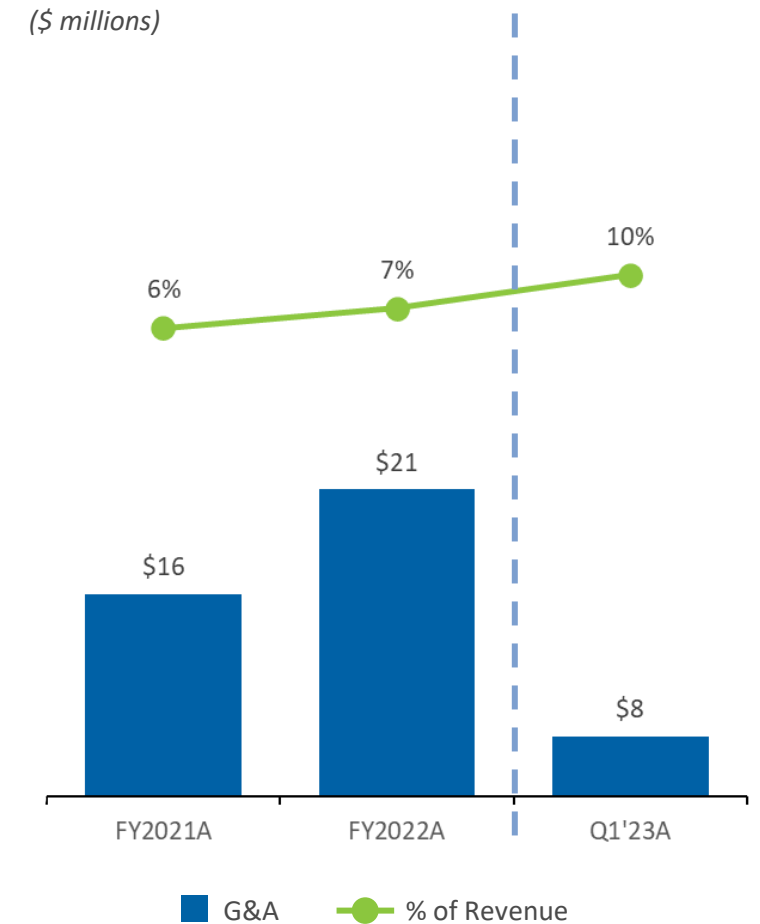
Adj. General & Administrative



Adj. Research & Development



Adj. Sales & Marketing



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Q1 2023 Performance

(\$ in thousands)	Q1 2022A	Q1 2023A	Delta
Consolidated Statements of Operations Data			
Revenue	\$72,754	\$77,135	\$4,381
Gross profit	48,216	49,180	964
% Gross margin	66.3%	63.8%	(2.5)%
Net income (loss)	7,479	(5,666)	(13,145)
% Net income (loss) margin	10.3%	(7.3)%	(17.6)%
Non-GAAP Financial Data			
Adj. EBITDA ⁽¹⁾	33,965	24,937	(9,028)
% Adj. EBITDA margin ⁽¹⁾	46.7%	32.3%	(14.4)%

Note: This financial information has been prepared by and is the responsibility of our management. Our independent registered public accounting firm has not audited, reviewed or performed any procedures with respect to this preliminary financial data or the accounting treatment thereof and does not express an opinion or any other form of assurance with respect thereto.

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Guidance Update

Guidance Update <i>(\$ in thousands)</i>	Three Months Ended June 30, 2023			Year Ended December 31, 2023		
	Q2 2022A	Low (Estimated)	High (Estimated)	2022A	Low (Estimated)	High (Estimated)
Revenue	\$72,987	\$76,000	\$79,000	\$288,046	\$307,000	\$313,000
% Growth	7%	4%	8%	8%	7%	9%
Adj. EBITDA ⁽¹⁾	28,184	27,000	30,000	111,199	109,000	115,000
% Growth	(16)%	(4)%	6%	(10)%	(2)%	3%
% Margin ⁽¹⁾	39%	36%	38%	39%	36%	37%

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Unique Investment Opportunity: Summary Investment Highlights





Appendix

Disclaimer

To supplement the financial measures presented in accordance with United States generally accepted accounting principles, or GAAP, we provide certain non-GAAP financial measures, such as adjusted EBITDA and adjusted EBITDA margin; non-GAAP operating income (loss); non-GAAP net income (loss); non-GAAP cost of revenue; non-GAAP sales and marketing expenses; non-GAAP research and development expenses; non-GAAP general and administrative expenses; and free cash flow. The presentation of these financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. Rather, we believe that these non-GAAP financial measures, when viewed in addition to and not in lieu of our reported GAAP financial results, provide investors with additional meaningful information to assess our financial performance and trends, enable comparison of financial results between periods, and allow for greater transparency with respect to key metrics utilized internally in analyzing and operating our business. The following definitions are provided:

- Non-GAAP operating income (loss): GAAP operating income (loss), excluding the impact of share-based compensation, employer payroll taxes on employee stock transactions, restructuring related costs, and sponsor and third-party acquisition-related costs.
- Non-GAAP net income (loss): GAAP net income (loss), excluding the impact of share-based compensation, employer payroll taxes on employee stock transactions, restructuring related costs sponsor and third-party acquisition-related costs, and the effect of income taxes on non-GAAP items. The effects of income taxes on non-GAAP items reflect a fixed long-term projected tax rate of 24%.

The Company employs a structural long-term projected non-GAAP income tax rate of 24% for greater consistency across reporting periods, eliminating effects of items not directly related to the Company's operating structure that may vary in size and frequency. This long-term projected non-GAAP income tax rate is determined by analyzing a mix of historical and projected tax filing positions, assumes no additional acquisitions during the projection period, and takes into account various factors, including the Company's anticipated tax structure, its tax positions in different jurisdictions, and current impacts from key U.S. legislation where the Company operates. We will reevaluate this tax rate, as necessary, for significant events such as significant alterations in the U.S. tax environment, substantial changes in the Company's geographic earnings mix due to acquisition activity, or other shifts in the Company's strategy or business operations.

- Adjusted EBITDA: net income (loss) before interest expense, taxes, depreciation and amortization, share-based compensation expense, employer payroll taxes on employee stock transactions, restructuring related costs, sponsor and third-party acquisition related costs, and deferred revenue reductions from purchase accounting for acquisitions prior to the adoption of ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers," which we early adopted on January 1, 2022 on a prospective basis. As of March 31, 2023, the remaining deferred revenue from acquisitions prior to the adoption of ASU 2021-08 was less than \$0.1 million, which will be recognized on a straight line basis through December 31, 2023.
- Non-GAAP cost of revenue: GAAP cost of revenue, excluding the impact of share-based compensation, employer payroll taxes on employee stock transactions, and amortization of developed technology.
- Non-GAAP operating expenses: GAAP operating expenses, excluding the impact of share-based compensation, employer payroll taxes on employee stock transactions, and depreciation and amortization, as applicable.
- Free cash flow: GAAP cash flow from operating activities less GAAP purchases of property and equipment (Capital Expenditures) and capitalized costs related to developed technology (Capitalized Software).

Reconciliations to comparable GAAP financial measures are available in the accompanying schedules, which are included in the Appendix of this presentation. No reconciliation is provided with respect to certain forward-looking non-GAAP financial measures as the GAAP measures are not accessible on a forward-looking basis. We cannot reliably predict all necessary components or their impact to reconcile such financial measures without unreasonable effort. The events necessitating a non-GAAP adjustment are inherently unpredictable and may have a significant impact on our future GAAP financial results.

Financial Reconciliations

Non-GAAP Adjusted EBITDA

(\$ in thousands)	2021A	2022A	Q1'23A
Reconciliation of Net Loss to Adjusted EBITDA ⁽¹⁾			
Net (loss) income	(\$9,996)	\$1,294	(\$5,666)
(+) Interest expense, net	32,615	24,227	9,031
(+/-) Tax expense	5,141	4,130	(1,199)
(+) Depreciation & amortization	50,453	53,982	14,531
(+) Share-based compensation expense	30,736	22,761	5,190
(+) Employer payroll taxes on employee stock transactions	95	350	126
(+) Expenses associated with IPO	424	—	—
(+) Restructuring related costs	—	—	2904
(+) Sponsor and third-party acquisition related costs	2,348	4,228	—
(+) Loss on debt prepayment	9,944	—	—
(+) Deferred revenue reduction from purchase accounting for acquisitions prior to 2022	733	227	20
(+) Impairment of trademarks	—	—	—
(+) Lease termination charges	879	—	—
Adjusted EBITDA⁽¹⁾	\$123,372	\$111,199	\$24,937
Net (loss) income margin	(4)%	0%	(7)%
Adjusted EBITDA margin ⁽²⁾	46%	39%	32%

(1) We define Adj. EBITDA as net income (loss) before interest expense, taxes, depreciation, amortization, share-based compensation expense, employer payroll taxes on employee stock transactions, certain expenses associated with our IPO, sponsor and third-party acquisition related costs, losses resulting from early repayment of debt, impairment of trademarks, lease termination charges, and deferred revenue reductions from purchase accounting.

(2) Adj. EBITDA margin is defined as our Adj. EBITDA for a particular period divided by our revenues for the same period and expressed as a percentage.

Financial Reconciliations (Cont'd)

Adjusted Gross Profit

(\$ in thousands)	2021A	2022A	Q1'23A
Revenues, net	\$267,676	\$288,046	\$77,135
Cost of revenue	89,622	106,331	27,955
(-) Share-based compensation expense	6,478	4,630	853
(-) Employer payroll taxes on employee stock transactions	3	127	22
(-) Amortization of developed technology	12,519	15,553	4,454
Non-GAAP cost of revenue	70,622	86,021	22,626
Adjusted gross profit	\$197,054	\$202,025	\$54,509
<i>GAAP gross margin</i>	<i>67%</i>	<i>63%</i>	<i>64%</i>
<i>Adjusted gross margin</i>	<i>74%</i>	<i>70%</i>	<i>71%</i>

Non-GAAP Net Income

(\$ in thousands)	2021A	2022A	Q1'23A
Net (loss) income	(\$9,996)	\$1,294	(\$5,666)
(+) Share-based compensation expense	30,736	22,761	5,190
(+) Employer payroll taxes on employee stock transactions	95	350	126
(+) Restructuring related costs	—	—	2,904
(+) Sponsor and third-party acquisition related costs	2,348	4,228	—
(+) Income tax effect on non-GAAP items	(7,963)	(6,561)	(1,973)
Non-GAAP net (loss) income	\$15,220	\$22,072	\$581
Non-GAAP basic net (loss) income per share	\$0.24	\$0.27	\$0.01
Non-GAAP diluted net (loss) income per share	0.23	0.27	0.01
Weighted average shares used to compute Non-GAAP basic net income per share	63,813,770	80,454,356	80,659,978
Weighted average shares used to compute Non-GAAP diluted net income per share	67,130,479	82,403,679	82,538,596
<i>GAAP net income margin</i>	<i>(4)%</i>	<i>0%</i>	<i>(7)%</i>
<i>Non-GAAP net income margin</i>	<i>6%</i>	<i>8%</i>	<i>1%</i>

Financial Reconciliations (Cont'd)

Non-GAAP General and Administrative Expense

(\$ in thousands)	2021A	2022A	Q1'23A
General and administrative	\$85,160	\$82,649	\$22,555
(-) Share-based compensation expense	14,558	9,499	2,264
(-) Employer payroll taxes on employee stock transactions	73	81	51
(-) Depreciation expense	2,303	2,319	495
(-) Amortization of intangibles	35,631	36,110	9,582
Non-GAAP general and administrative	\$32,595	\$34,640	\$10,163
<i>GAAP general and administrative as a % of revenue</i>	<i>32%</i>	<i>29%</i>	<i>29%</i>
<i>Non-GAAP general and administrative as a % of revenue</i>	<i>11%</i>	<i>12%</i>	<i>13%</i>

Non-GAAP Research and Development Expense

(\$ in thousands)	2021A	2022A	Q1'23A
Research and development	\$36,336	\$42,592	\$13,812
(-) Share-based compensation expense	7,453	6,472	1,783
(-) Employer payroll taxes on employee stock transactions	8	102	27
Non-GAAP research and development	\$28,875	\$36,018	\$12,002
<i>GAAP research and development as a % of revenue</i>	<i>14%</i>	<i>15%</i>	<i>18%</i>
<i>Non-GAAP research and development as a % of revenue</i>	<i>11%</i>	<i>13%</i>	<i>16%</i>

Non-GAAP Sales and Marketing Expense

(\$ in thousands)	2021A	2022A	Q1'23A
Sales and marketing	\$18,122	\$23,658	\$8,213
(-) Share-based compensation expense	2,247	2,160	290
(-) Employer payroll taxes on employee stock transactions	11	40	26
Non-GAAP sales and marketing	\$15,864	\$21,458	\$7,897
<i>GAAP sales and marketing as a % of revenue</i>	<i>7%</i>	<i>8%</i>	<i>11%</i>
<i>Non-GAAP sales and marketing as a % of revenue</i>	<i>6%</i>	<i>7%</i>	<i>10%</i>

Balance Sheet Highlights

(\$ in thousands)	2021A	2022A	Q1'23A
Total current assets	\$147,956	\$128,132	\$155,270
Property and equipment, net	5,989	4,245	3,891
Intangible assets, net	298,597	297,475	285,412
Goodwill	564,799	608,657	608,902
Other assets	8,552	20,648	21,802
Total assets	\$1,025,893	\$1,059,157	\$1,075,277
Total current liabilities	\$43,848	\$54,199	\$75,684
Long-term debt, net of debt issuance costs	425,371	423,404	422,526
Other liabilities	396	2,463	2,157
Total liabilities	\$469,615	\$480,066	\$500,367
Total stockholders' equity	556,278	579,091	574,910
Total liabilities and stockholders' equity	\$1,025,893	\$1,059,157	\$1,075,277

Net Leverage

(\$ in thousands)	2021A	2022A	Q1'23A
Total principal payments due	\$435,000	\$431,738	\$430,650
(-) Debt issuance costs	7,490	4,829	4,618
(-) Cash and cash equivalents	113,645	55,780	77,796
Net Leverage	\$313,865	\$371,129	\$348,236
LTM Adjusted EBITDA	123,372	111,199	101,446
<i>Leverage multiple</i>	<i>2.5x</i>	<i>3.3x</i>	<i>3.4x</i>

Financial Supplement

Annual Recurring Revenue (ARR)¹

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Lending software solutions	\$184.8	\$181.8	\$167.1	\$161.1	\$153.3	\$151.8	\$150.7	\$149.0	\$133.8
Data verification software solutions	\$73.4	\$77.1	\$81.8	\$85.1	\$87.1	\$88.4	\$90.7	\$91.9	\$89.9
Total	\$258.2	\$258.9	\$248.9	\$246.2	\$240.4	\$240.1	\$241.5	\$240.9	\$223.7

ARR Net Retention Rate²

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Lending software solutions	111.2%	110.6%	106.0%	103.9%	101.4%	112.5%	117.0%	118.0%	115.8%
Data verification software solutions	83.7%	80.5%	85.4%	88.2%	92.3%	104.7%	122.5%	148.2%	186.2%
Total	100.9%	100.2%	98.8%	98.3%	98.1%	109.5%	118.8%	127.7%	134.6%

- (1) Annual Recurring Revenue, or ARR, is calculated as the total subscription fee revenues calculated in the latest twelve-month measurement period for those revenue-generating entities in place throughout the entire twelve-month measurement period plus the subscription fee revenues calculated on an annualized basis from new entity activations in the measurement period.
- (2) ARR Net Retention Rate takes the ARR recorded in the latest twelve-month measurement period for the cohort of revenue-generating entities in place throughout the entire prior twelve-month measurement period divided by the cohort's ARR recorded in the twelve-month period that is immediately prior to the beginning of the current measurement period. During the three months ended March 31, 2023, we refined our methodology for calculating ARR Net Retention Rate to include the impact from cross-sell revenue streams. Using our prior calculation methodology, the ARR Net Retention rate for the same periods is provided in the table below.

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Lending software solutions	105.7%	104.2%	104.2%	101.2%	99.0%	98.6%	103.8%	107.8%	107.5%
Data verification software solutions	83.7%	80.5%	80.5%	85.4%	88.2%	92.3%	103.0%	120.6%	146.0%
Total	97.4%	96.0%	96.0%	95.8%	95.3%	96.4%	103.4%	112.2%	119.9%

Financial Supplement

Total Customer¹ Count

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Lending software solutions	1,597	1,604	1,519	1,516	1,495	1,475	1,459	1,456	1,442
Data verification software solutions	430	430	433	429	431	426	430	423	421
Total	2,027	2,034	1,952	1,945	1,926	1,901	1,889	1,879	1,863

Organic Customer Growth Rate²

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Lending software solutions	0.7%	2.5%	3.5%	3.5%	3.1%	2.5%	3.2%	4.1%	4.0%
Data verification software solutions	(0.2)%	0.9%	0.7%	1.4%	2.4%	0.9%	6.7%	0.0%	0.0%
Total	0.5%	2.2%	2.9%	3.0%	2.9%	2.2%	3.5%	3.7%	3.7%

(1) Customer defined as a legal entity that has a contractual relationship with us to use our software solutions.

(2) Organic Customer Growth Rate is the percentage increase in the number of total customers on the last day of the measurement period compared to the number of total customers on the day twelve months prior to the measurement date, which measures the change in total customers, net of both customer terminations and customer additions between the respective measurement periods.



meridianlink®

InvestorRelations@meridianlink.com