Q4 2022

Shareholder Letter

nerdwallet

PROGRESS IN GROWTH PILLARS

WHERE WE STARTED

LAND & EXPAND

- Leveraging organic playbook and recent success in markets such as Canada with Q4 launch in Australia

VERTICAL INTEGRATION

- On the Barrelhead (OTB) integration is progressing; doubled match rate for users directed through improved personal loans experience
- Triple-digit year-over-year revenue growth in SMB products for Full Year 2022

REGISTRATIONS & DATA-DRIVEN ENGAGEMENT

- 39% year-over-year growth in cumulative Registered Users, ending 2022 with 14 million
- 80%+ year-over-year growth in Registered User revenue during Full Year 2022

WHERE WE'RE GOING

Q4'22 FINANCIAL HIGHLIGHTS

20M

Monthly Unique Users (MUUs) engaging with our content, tools and marketplaces during the quarter

9%

year-over-year growth in MUUs, as we see strong engagement in areas such as banking and travel and increases driven by the inclusion of our OTB acquisition

$142.0M

of revenue delivered during the quarter

43%

year-over-year revenue growth as we saw improved conversion and monetization per MUU across many of our verticals

$31.0M

Adjusted EBITDA delivered while strategically investing in expanding our top of funnel, our product vision and our Nerds

22%

Adjusted EBITDA margin, up 8 percentage points versus Q4 2021 as we gained leverage across our cost base

FEBRUARY 14, 2023

Fellow Shareholders:

We finished 2022 with strong results, exceeding our revenue and adjusted EBITDA guidance in Q4, in the face of continued tightening in underwriting across lower credit profiles during the quarter. Some of our resilience is driven by the fact that our revenue skews towards consumers with prime credit profiles, but it is also a testament to the hard work of our Nerds in building a brand that is trusted across a diverse set of consumer and small and medium-sized business (SMB) verticals.

Our brand's appeal across multiple verticals has an important follow-on benefit: It becomes easy for us to land and expand into more verticals, and many of those verticals are inversely correlated to each other, allowing us to grow in challenging climates. For example, the rising rate environment has created a tailwind in deposits, or our banking vertical, offsetting headwinds in mortgage refinance. Whereas during the COVID-19 pandemic, we saw a massive increase in unemployment over a very short timeframe, creating headwinds in our credit cards vertical but driving tailwinds in verticals benefiting from fiscal and monetary stimulus.

Reflecting on the past year, we recently brought Nerds together for our annual kickoff, which includes a look back on our progress and is an opportunity to align on our plans for the year ahead. Part of this includes reflecting on 2022 achievements that allow us to move forward with confidence, ready to capitalize on new opportunities, grow our business, and help more people in more ways. In that spirit, today I am proud to share some of these concerted efforts to execute on our strategy. With progress every quarter in our “Land & Expand,” “Vertical Integration,” and “Registration & Data-Driven Engagement” growth pillars, we ended 2022 several steps further in our journey building a “Trusted Financial Ecosystem,” or a single platform where consumers and SMBs can learn, shop, and make decisions about their money.

PROGRESS IN OUR GROWTH PILLARS: 2022 RECAP

- ***Land & Expand***: We executed our playbook to launch in Australia and expanded in Canada and in topics including auto loans, cryptocurrency, and medicare. At the same time, we continued to invest in our established verticals with marketplace improvements; new partnerships with financial institutions; and relevant, trusted content to help consumers and SMBs navigate their finances in light of inflation, changing interest rates, student loan forbearance and more.
- ***Vertical Integration***: Our strategy of pairing NerdWallet's massive top-of-funnel reach and trusted brand with best-in-class user experiences continues to exceed our expectations. In 2022, our SMB vertical drove triple-digit growth year-over-year, and we embarked on a second vertical integration with our acquisition of On the Barrelhead in July.
- **Registrations & Data-Driven Engagement**: We continued to deepen our relationship with consumers and SMBs, growing our base of registered users by 39% year-over-year, ending 2022 with 14 million, and our registered user revenue increased 80%+ year-over-year. At the same time, we've upleveled our ability to engage our users with increasingly relevant, personalized nudges, prompting them to turn—and return—to the Nerds for all their money questions.

Q4 2022 BUSINESS HIGHLIGHTS

In Q4, we continued to benefit from our long-term orientation and diversified business, as well as our investments in building a trusted brand.

We now reach consumers not only in the US, but also in the UK, Canada, and—as of early Q4—Australia. While we are still early in our Land & Expand efforts in Australia, we have confidence in our playbook. Our sustained investments in established verticals have also continued to pay off: After years of a low interest rate environment, our banking vertical has surged with the rate hikes in Q3 and Q4, delivering another quarter of triple-digit year-over-year growth in Q4 as we helped consumers take advantage of high-yield savings accounts and more.

While the insurance vertical has faced certain macroeconomic headwinds over the past several quarters, the team has been steadfast, building and optimizing a new, in-house auto insurance funnel. This gives NerdWallet more control over these consumer experiences; as a result of these changes and the recovering macro environment, insurance drove 43% year-over-year revenue growth in Q4. The team plans to extend this success to our life and home insurance marketplaces.

Similarly, we feel confident in our ongoing Vertical Integration initiatives: Our SMB vertical continued to outperform, with 94% year-over-year growth in Q4 as the team invested in growing their organic and paid reach, while continuing to help our installed base of SMBs meet their financial needs.. Our Loans verticals, where we have primarily integrated On the Barrelhead, have faced similar headwinds as the broader industry as interest rates rise and lenders continue to tighten underwriting. As with our insurance vertical, the Loans team remains committed to investing in the consumer experience in advance of a macro environment recovery, and in Q4 we saw positive signals: We doubled our match rate for consumers in our updated personal loans flow. These improvements set us up well for eventual macroeconomic recovery, and we look forward to the continued enhancements that further integration will bring in 2023.

We also continue to make strides in our Registration & Data-Driven Engagement efforts that will help power our Trusted Financial Ecosystem by enabling us to drive repeat visits, collect data, and nudge our users with relevant, personalized insights. Through content and personalization optimizations, we drove improvements in click-through-rates for NerdWallet email campaigns. Within our Registered User Dashboard, we also launched "Courses," which provide registered users with curated content on financial topics they're interested in. These have also seen strong engagement, and we look forward to expanding the catalog of Courses to provide our registered users with relevant, trusted guidance.

Our competitive advantage in consumer trust underpins all of our achievements this past quarter: Consumers and SMBs increasingly know, trust, and prefer NerdWallet. We have invested thoughtfully in building and bolstering this trust, particularly through our brand marketing. Our prior brand campaigns continue to deliver durable results: In Q4, we achieved our highest-ever brand awareness measures, and we are capitalizing on this with our newest national brand campaign, which launched in late December, as well as new tactics including sports sponsorships.

Q4 FINANCIAL UPDATE

In Q4, we delivered 43% year-over-year revenue growth. As we face certain macro headwinds, our diversification and brand strength have proven again that we have a large opportunity to continue to grow and scale our business.

We provided trustworthy guidance to 20 million average Monthly Unique Users in Q4. MUUs increased 9% on a year-over-year basis driven by the addition of our recent acquisition, as well as consumer interest in areas such as banking and travel, partially offset by continued headwinds in mortgage and investing.

To drive our future growth, we have made disciplined investments in building our brand awareness and engaging our user base through our various marketing channels and product development. During Q4, we generated $31 million of Adjusted EBITDA, at a 22% margin, which is 8 points higher than our Q4'21 margin. We believe this quarter demonstrated that our business is capable of delivering significant operating leverage, a function of our incremental margins and a maturing cost base. Our business model allows us to invest in capitalizing on the continuing shift from offline-to-online and the proliferation of choice for consumers while achieving our vision and delivering continued Adjusted EBITDA margin improvement over time.

LOOKING AHEAD

As I reflect on this past year, and our plans for 2023, the analogy that comes to mind most is that of rock climbing. We've made material progress on all three of our growth pillars, while increasing our velocity and entrepreneurship, moving us one step closer to a world where everyone makes financial decisions with confidence.

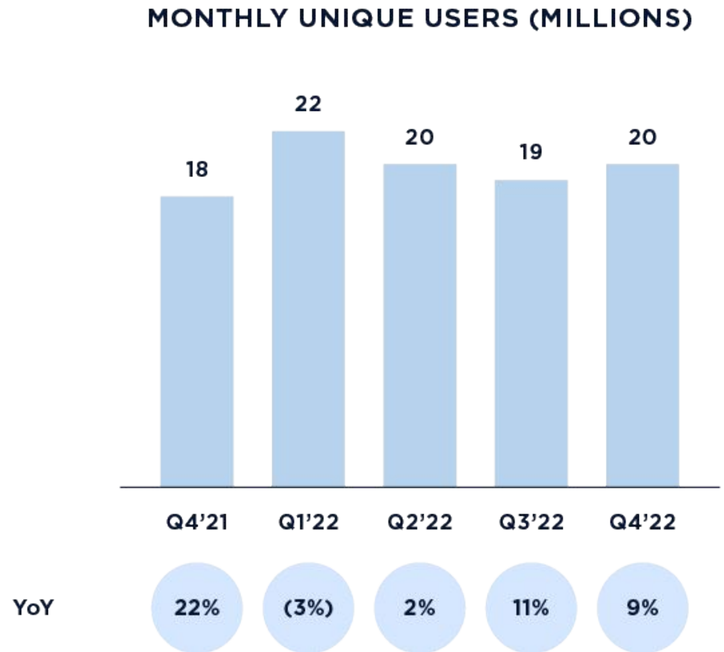
Thank you,

Tim Chen
Co-Founder & CEO

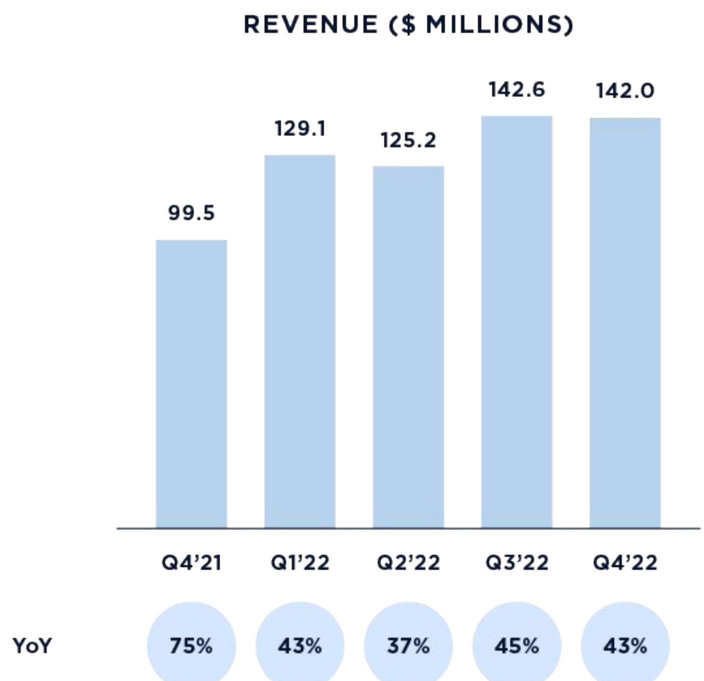
Financial Highlights

Q4 2022 RESULTS
FINANCIAL HIGHLIGHTS

MUUs grew 9% year-over-year during the quarter driven by the addition of our recent acquisition of OTB as well as engagement in areas such as banking and travel, but were pressured by a continued challenging macro environment in both mortgages and investing. MUUs increased 1% quarter-over-quarter. During 2022, MUU's averaged 20M, growing 4% year-over-year vs 2021 as we saw similar pressures throughout the year as mentioned for the fourth quarter.



Q4 year-over-year revenue grew 43% with strength in banking, credit cards, and SMB products. This is supported by revenue skewing toward consumers with prime credit profiles across a diverse portfolio of verticals. 2022 Full Year Revenue of $538.9 million grew 42% year-over-year vs 2021.



Q4 2022 RESULTS

SUMMARY FINANCIAL RESULTS

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	THREE MONTHS ENDED DEC 31, 2021		THREE MONTHS ENDED DEC 31, 2022		YEAR VS. YEAR
Revenue	**$**	**99.5**	**$**	**142.0**	**43%**
Credit cards [1]		34.9		53.1	52%
Loans [2]		29.6		22.4	(24%)
Other verticals [3]		35.0		66.5	90%
Income (loss) from operations	**$**	**(9.4)**	**$**	**7.9**	**NM**
Net income (loss)	**$**	**(7.9)**	**$**	**8.9**	**NM**
Net income (loss) per share					
Basic	$	(0.13)	$	0.12	NM
Diluted	$	(0.13)	$	0.12	NM
Non-GAAP financial measure [4]					
Adjusted EBITDA	**$**	**13.5**	**$**	**31.0**	**130%**
Cash and cash equivalents	**$**	**167.8**	**$**	**83.9**	**(50%)**
Average monthly unique users [5]		**18**		**20**	**9%**

(1) Credit cards revenue consists of revenue from consumer credit cards.
(2) Loans revenue includes revenue from personal loans, mortgages, student loans and auto loans.
(3) Other verticals revenue includes revenue from other product sources, including SMB products, banking, insurance, investing and NerdWallet UK.
(4) Adjusted EBITDA is a non-GAAP measure. See “Non-GAAP Financial Measure” for more information.
(5) We define a Monthly Unique User (MUU) as a unique user with at least one session in a given month as determined by unique device identifiers.

Please see Appendix for Full Year 2022 financial statements

REVENUE

CREDIT CARDS

Credit Cards had another quarter of strong growth, delivering $53 million of Q4 revenue, a 52% increase year-over-year. Though the fourth quarter saw a typical seasonal cadence, or a quarter-over-quarter decline from Q3 revenue, we successfully leveraged our improved user experiences to deliver quality matches to financial services partners. As 2022 came to a close, we saw partners continue to have demand for our high-intent users combined with strong consumer interest. Full Year 2022 Credit Cards revenue reached $210 million, a 70% increase from 2021.

REVENUE

LOANS

Loans revenue consists of personal, mortgage, student and auto loans. Loans delivered revenue of $22 million in Q4, down 24% year-over-year. Personal loans, benefiting from the inclusion of our recent acquisition, grew during the quarter and, given the current macro environment, remained the largest component of Loans revenue. These gains were unable to offset the year-over-year declines in mortgage due to continued macro environment headwinds and higher interest rates. Full Year 2022 Loans revenue reached $109 million, a 14% decrease from 2021.

During the second quarter of integrating our recent acquisition of OTB, the largest impact to revenue was within personal loans, given headwinds in areas such as mortgages. As we advance the integration during 2023, we expect to find additional ways to incorporate their technology across our portfolio.

REVENUE

OTHER VERTICALS

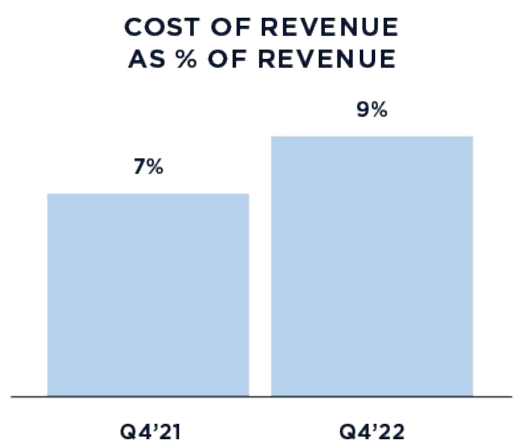
Other Verticals revenue increased 90% year-over-year to $66 million in the fourth quarter. Other Verticals consists of SMB products, banking, insurance and investing verticals as well as NerdWallet UK. We saw strong quarters in banking, SMB products and insurance. Banking delivered triple-digit year-over-year growth, benefiting from increasing consumer interest as a result of the rising interest rate environment, and the gains we saw more than offset the year-over-year declines in our mortgage vertical. SMB revenue growth, which saw an impressive 130% year-over-year increase during the Full Year 2022, continues to validate our vertical integration strategy. Our insurance vertical resumed year-over-year growth during Q4 thanks to a record quarter in auto insurance due to the recovering macro economic environment combined with the launch of our revamped marketplace. Full Year 2022 Other Verticals revenue reached $219 million, a 70% increase from 2021.

OPERATING EXPENSES

($ MILLIONS)		Q4'21		Q4'22	% CHANGE
Cost of Revenue	$	7.2	$	12.2	68%
Research & Development		18.6		19.4	5%
Sales & Marketing		63.5		87.5	38%
General & Administrative		11.6		14.4	24%
Change in fair value of contingent consideration related to earnouts		8.0		0.6	(92%)
Total Costs & Expenses	$	108.9	$	134.1	23%

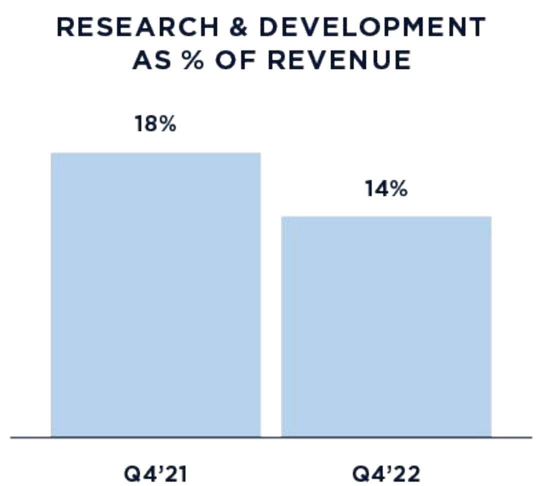
COST OF REVENUE

Q4 Cost of Revenue expenses increased 68% year-over-year and were 2 points higher as a percentage of our Revenue. Increases versus prior year were primarily driven by the increase in amortization of acquired intangibles as a result of our recent OTB acquisition. Full Year 2022 Cost of Revenue expenses increased 39% versus 2021 and were 7% of revenue.



RESEARCH & DEVELOPMENT

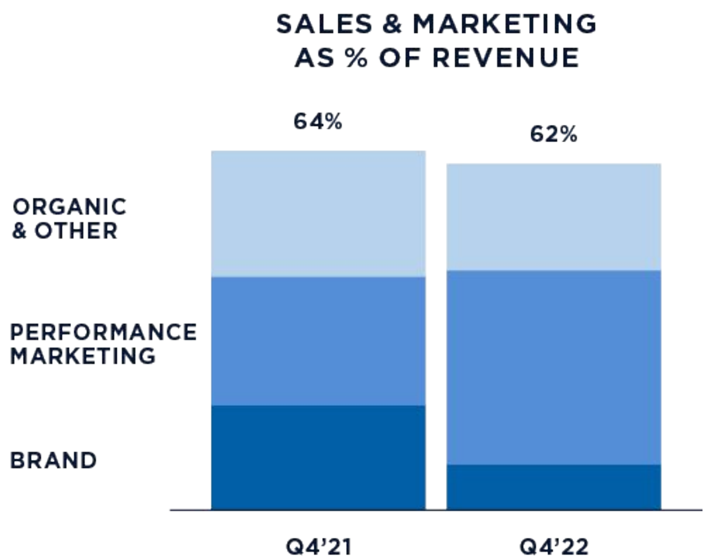
Q4 Research & Development expenses increased 5% year-over-year and were 4 points lower as a percentage of our Revenue. Increases versus prior year were primarily driven by scaling our product and engineering teams given our emphasis on the development of key platform capabilities. Full Year 2022 R&D expenses increased 25% versus 2021 and were 15% of revenue.



OPERATING EXPENSES

SALES & MARKETING

Q4 Sales & Marketing expenses increased 38% year-over-year and were 2 points lower as a percentage of our Revenue. Sales & Marketing expense was comprised of approximately 13% Brand marketing, 56% Performance marketing, and 31% Organic & other. Sales & Marketing expense consists of: Brand marketing, primarily advertising costs to increase awareness; Performance marketing, primarily costs to drive traffic directly to our platform; and Organic & other, primarily personnel-related costs for content and other marketing and sales teams.



Our Brand marketing creates a virtuous cycle and "halo effect" across all marketing channels as we aim to improve our ability to remain top-of-mind with consumers. As a reminder, our investment in Brand marketing will have significant seasonal margin impacts as optimal timing for campaign effectiveness is not consistent across our fiscal quarters.

Performance marketing continues to be an effective channel for us to drive traffic and engagement to the NerdWallet platform, diversifying from our strong organic traffic base. Throughout the year, over 70% of our traffic came from direct or unpaid sources.

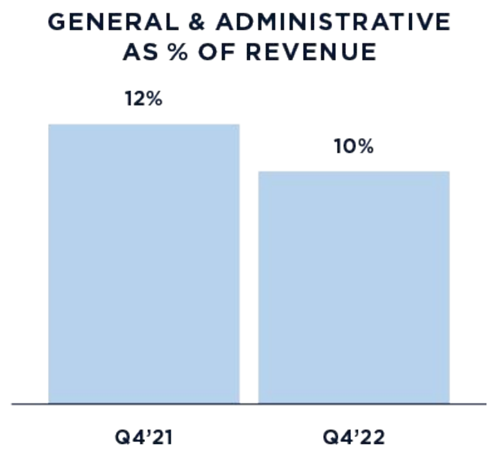
Organic & other expenses increased year-over-year as we execute on both our "Land and Expand" and "Vertical Integration" strategies with scaling acquisitions, primarily through incremental personnel costs.

Full Year 2022 Sales & Marketing expenses increased 38% versus 2021 and were 70% of revenue.

OPERATING EXPENSES

GENERAL & ADMINISTRATIVE

Q4 General & Administrative expenses increased 24% year-over-year and were 2 points lower as a percentage of our Revenue. Increases versus prior year were primarily driven by increased personnel costs as well as one-time costs related to the OTB acquisition. Full Year 2022 G&A expenses increased 51% versus 2021, primarily due to public company capabilities and functions added, and were 11% of revenue.



BALANCE SHEET AND LIQUIDITY

Our balance sheet and liquidity position remain strong. We ended the fourth quarter with $83.9 million of cash on hand and no debt as we repaid our line of credit during Q4.

FINANCIAL OUTLOOK

Q1 Revenue: $165 - $170 million; representing 30% year-over-year growth at the midpoint
Q1 Adjusted EBITDA: $17 - $19 million

There will be variability in our quarterly margins, but we expect a year-over-year increase in our 2023 annual Adjusted EBITDA margin.

NerdWallet has not provided a quantitative reconciliation of forecasted GAAP net income (loss) to forecasted total Adjusted EBITDA within this communication because the company is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. These items include, but are not limited to: income taxes which are directly impacted by unpredictable fluctuations in the market price of the company's capital stock; depreciation and amortization expense from new acquisitions; impairments of assets; gains or losses on extinguishment of debt and acquisition-related costs. These items, which could materially affect the computation of forward-looking GAAP net income (loss), are inherently uncertain and depend on various factors, many of which are outside of NerdWallet's control. For more information regarding the non-GAAP financial measures discussed in this communication, please see "Non-GAAP Financial Measure" below.

QUARTERLY CONFERENCE CALL

A conference call to discuss NerdWallet's fourth quarter 2022 financial results will be webcast live today, February 14, 2023 at 1:30 PM Pacific Time (PT). The live webcast is open to the public and will be available on NerdWallet's investor relations website at https://investors.nerdwallet.com. Following completion of the call, a recorded replay of the webcast will be available on NerdWallet's investor relations website.

Appendix

FORWARD-LOOKING STATEMENTS

This letter to shareholders contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this letter are forward-looking statements, including, but not limited to, the statements in the section titled "Financial Outlook." In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will" or "would" or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited, statements concerning the following:

- the effect of macroeconomic developments, including but not limited to, inflation, rising interest rates, tightening credit markets and general macroeconomic uncertainty on our business results of operations, financial condition and stock price;
- our expectations regarding our future financial and operating performance, including total revenue, cost of revenue, Adjusted EBITDA and MUUs;
- our ability to grow traffic and engagement on our platform;
- our expected returns on marketing investments and brand campaigns;
- our expectations about consumer demand for the products on our platform;
- our ability to convert users into Registered Users and improve repeat user rates;
- our ability to convert consumers into matches with financial services partners;
- our ability to grow within existing and new verticals;
- our ability to expand geographically;
- our ability to maintain and expand our relationship with our existing financial services partners and to identify new financial services partners;
- our ability to build efficient and scalable technical capabilities to deliver personalized guidance and nudge users;
- our ability to maintain and enhance our brand awareness and consumer trust;
- our ability to generate high quality, engaging consumer resources;
- our ability to adapt to the evolving financial interests of consumers;
- our ability to compete with existing and new competitors in existing and new market verticals;
- our ability to maintain the security and availability of our platform;
- our ability to maintain, protect and enhance our intellectual property;
- our ability to identify, attract and retain highly skilled, diverse personnel;
- our ability to stay in compliance with laws and regulations that currently apply or become applicable to our business;
- the sufficiency of our cash, cash equivalents, and investments to meet our liquidity needs;
- our ability to effectively manage our growth and expand our infrastructure and maintain our corporate culture;
- our ability to successfully identify, manage, and integrate any existing and potential acquisitions; and
- our ability to achieve expected synergies, accretive value and other benefits from completed acquisitions.

You should not rely on forward-looking statements as predictions or guarantees of future events. We have based the forward-looking statements contained in this letter primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. These forward-looking statements are subject to risks, uncertainties and other factors that may cause actual results or outcomes to be materially different from any future results expressed or implied by these forward-looking statements, including those factors described in filings we make with the SEC from time to time.

The forward-looking statements made in this letter speak only as of the date hereof. We undertake no obligation to update any forward-looking statements made in this letter to reflect events or circumstances after the date of this letter or to reflect new information or the occurrence of unanticipated events, except as required by law.

NON-GAAP FINANCIAL MEASURE

ADJUSTED EBITDA

We use Adjusted EBITDA in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our Board of Directors concerning our financial performance.

We define Adjusted EBITDA as net income (loss) from continuing operations adjusted to exclude depreciation and amortization expense, interest expense, net, provision (benefit) for income taxes, and further exclude (1) loss (gain) on impairment and on disposal of assets, (2) remeasurement of the embedded derivative in our previously outstanding long-term debt, (3) change in fair value of contingent consideration related to earnouts, (4) deferred compensation related to earnouts, (5) stock-based compensation, and (6) acquisition-related costs.

The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature, or because the amount is not driven by core operating results and renders comparisons with prior periods less meaningful.

We believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results and in comparing operating results across periods. Moreover, Adjusted EBITDA is a key measurement used by our management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. However, the use of this non-GAAP measure has certain limitations because it does not reflect all items of income and expense that affect our operations. Adjusted EBITDA has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for the related financial information prepared in accordance with GAAP. These limitations include the following:

- Adjusted EBITDA does not reflect interest income (expense) and other gains (losses), net, which include unrealized and realized gains and losses on foreign currency exchange and the embedded derivative in our previously outstanding long-term debt, as well as certain nonrecurring gains (losses);
- Adjusted EBITDA excludes certain recurring, non-cash charges, such as amortization of software, depreciation of property and equipment, amortization of intangible assets, and losses/gains on disposal of assets. Although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect all cash requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA excludes stock-based compensation, including for acquisition-related inducement awards, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy; and
- Adjusted EBITDA excludes acquisition-related costs, including acquisition-related retention compensation under compensatory retention agreements with certain key employees, acquisition-related transaction expenses, contingent consideration fair value adjustments related to earnouts, and deferred compensation related to earnouts.

In addition, Adjusted EBITDA as we define it may not be comparable to similarly titled measures used by other companies. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income (loss) and our other GAAP results.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS UNAUDITED

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	THREE MONTHS ENDED DEC 31, 2022	THREE MONTHS ENDED DEC 31, 2021	% CHANGE	YEAR ENDED DEC 31, 2022	YEAR ENDED DEC 31, 2021	% CHANGE
Revenue	**$ 142.0**	**$ 99.5**	**43%**	**$ 538.9**	**$ 379.6**	**42%**
Costs and Expenses:						
Cost of revenue	12.2	7.2	68%	39.8	28.5	39%
Research and development	19.4	18.6	5%	77.6	62.2	25%
Sales and marketing	87.5	63.5	38%	375.6	271.3	38%
General and administrative	14.4	11.6	24%	58.2	38.5	51%
Change in fair value of contingent consideration related to earnouts	0.6	8.0	(92%)	6.7	18.1	(63%)
Total costs and expenses	134.1	108.9	23%	557.9	418.6	33%
Income (Loss) From Operations	**7.9**	**(9.4)**	**NM**	**(19.0)**	**(39.0)**	**(51%)**
Other income (expense), net:						
Interest income	0.9	—	NM	1.5	—	NM
Interest expense	(1.2)	(0.2)	384%	(2.5)	(1.3)	91%
Other gains, net	—	1.5	NM	—	2.6	NM
Total other income (expense), net	(0.3)	1.3	NM	(1.0)	1.3	NM
Income (loss) before income taxes	7.6	(8.1)	NM	(20.0)	(37.7)	(47%)
Income tax provision (benefit)	(1.3)	(0.2)	585%	(9.8)	4.8	NM
Net Income (Loss)	**$ 8.9**	**$ (7.9)**	**NM**	**$ (10.2)**	**$ (42.5)**	**(76%)**
Net Income (Loss) Per Share Attributable to Common Stockholders						
Basic	$ 0.12	$ (0.13)	NM	$ (0.14)	$ (0.82)	(83%)
Diluted	$ 0.12	$ (0.13)	NM	$ (0.14)	$ (0.82)	(83%)
Weighted-Average Shares Used in Computing Net Income (Loss) Per Share Attributable to Common Stockholders						
Basic	74.6	60.1		70.6	51.9	
Diluted	76.9	60.1		70.6	51.9	

NON-GAAP FINANCIAL MEASURE

We compensate for the limitations on the prior page by reconciling Adjusted EBITDA to net income (loss), the most comparable GAAP financial measure, as follows:

	THREE MONTHS ENDED			YEAR ENDED		
(IN MILLIONS)	DEC 31, 2022	DEC 31, 2021	% CHANGE	DEC 31, 2022	DEC 31, 2021	% CHANGE
Net income (loss)	$ 8.9	$ (7.9)	NM	$ (10.2)	$ (42.5)	(76%)
Depreciation and amortization	11.4	7.2	56%	37.0	27.1	36%
Stock-based compensation	9.1	7.1	30%	34.4	17.9	93%
Acquisition-related retention	1.4	—	NM	2.8	—	NM
Deferred compensation related to earnouts	0.5	0.6	(18%)	1.7	2.1	(17%)
Loss on disposal of assets	—	—	0%	—	0.8	(98%)
Change in fair value of contingent consideration related to earnouts	0.6	8.0	(92%)	6.7	18.1	(63%)
Acquisition-related expenses	0.1	—	NM	3.5	0.1	NM
Interest expense, net	0.3	0.2	(3%)	1.0	1.3	(26%)
Other gains, net	—	(1.5)	NM	—	(2.6)	NM
Income tax provision (benefit)	(1.3)	(0.2)	585%	(9.8)	4.8	NM
Adjusted EBITDA	$ 31.0	$ 13.5	130%	$ 67.1	$ 27.1	148%
Net income (loss) margin	6%	(8%)		(2%)	(11%)	
Adjusted EBITDA margin [1]	22%	14%		12%	7%	

(1) Represents Adjusted EBITDA as a percentage of revenue.

CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

(IN MILLIONS)	DEC 31, 2022	DEC 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 83.9	$ 167.8
Accounts receivable — net	87.0	57.6
Prepaid expenses and other current assets	18.3	17.4
Total current assets	189.2	242.8
Property, equipment and software — net	49.1	34.9
Goodwill	111.2	43.8
Intangible assets — net	64.1	27.6
Right-of-use assets	11.3	13.9
Other assets	0.8	1.1
Total Assets	**$ 425.7**	**$ 364.1**
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3.6	$ 3.2
Accrued expenses and other current liabilities	37.9	32.1
Contingent consideration — current	30.9	30.5
Total current liabilities	72.4	65.8
Contingent consideration — noncurrent	—	24.2
Other liabilities — noncurrent	11.6	16.5
Total liabilities	84.0	106.5
Commitments and contingencies		
Stockholders' equity	341.7	257.6
Total Liabilities and Stockholders' Equity	**$ 425.7**	**$ 364.1**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS UNAUDITED

(IN MILLIONS) YEAR ENDED DECEMBER 31,,		2022		2021
Operating Activities:				
Net loss	$	(10.2)	$	(42.5)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization		37.0		27.1
Stock-based compensation		34.4		17.9
Change in fair value of contingent consideration related to earnouts		6.7		18.1
Deferred taxes		(12.6)		4.4
Non-cash lease costs		2.6		7.9
Other, net		1.3		(2.1)
Changes in operating assets and liabilities, net of business combination:				
Accounts receivable		(18.7)		(20.2)
Prepaid expenses and other assets		(0.7)		(9.6)
Accounts payable		(5.6)		(2.2)
Accrued expenses and other current liabilities		5.8		16.6
Payment of contingent consideration		(11.5)		—
Operating lease liabilities		(2.4)		(7.3)
Other liabilities		(1.1)		(0.9)
Net cash provided by operating activities		25.0		7.2
Investing Activities:				
Capitalized software development costs		(27.6)		(20.7)
Purchase of property and equipment		(4.6)		(2.3)
Business combination, net of cash acquired		(68.1)		—
Net cash used in investing activities		(100.3)		(23.0)
Financing Activities:				
Payment of contingent consideration		(19.0)		—
Proceeds from line of credit		70.0		—
Payments on line of credit		(70.0)		—
Principal repayment of subordinated promissory notes		—		(28.5)
Repurchase of Series A redeemable convertible preferred stock		—		(2.1)
Proceeds from exercise of stock options		7.7		11.0
Issuance of Class A common stock under Employee Stock Purchase Plan		4.5		—
Tax payments related to net-share settlements on restricted stock units		(0.6)		(1.9)
Proceeds from issuance of common stock upon initial public offering, net of underwriting discounts and commissions		—		140.0
Payment of offering costs related to initial public offering		(1.0)		(4.0)
Repurchase of Class A common stock		—		(0.5)
Repurchase of Class F common stock		—		(12.4)
Repurchase of stock options		—		(1.4)
Net cash provided by (used) in financing activities		(8.4)		100.2
Effect of exchange rate changes on cash and cash equivalents		(0.2)		—
Net increase (decrease) in cash and cash equivalents		(83.9)		84.4
Cash and Cash Equivalents:				
Beginning of year		167.8		83.4
End of year	$	83.9	$	167.8