

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

Commission File Number 001-38531



Repay Holdings Corporation  
(Exact name of Registrant as specified in its Charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)  
3 West Paces Ferry Road,  
Suite 200  
Atlanta, GA  
(Address of principal executive offices)

98-1496050  
(I.R.S. Employer  
Identification No.)

30305  
(Zip Code)

Registrant's telephone number, including area code: (404) 504-7472

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	RPAY	The NASDAQ Stock Market LLC

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES  NO

As of August 2, 2024, there are 91,903,958 shares of the registrant's Class A Common Stock, par value \$0.0001 per share, outstanding (which number includes 4,225,765 shares of unvested restricted stock that have voting rights) and 100 shares of the registrant's Class V Common Stock, par value of \$0.0001 per share, outstanding. As of August 2, 2024, the holders of such outstanding shares of Class V common stock also hold 5,844,095 units in a subsidiary of the registrant and such units are exchangeable into shares of the registrant's Class A common stock on a one-for-one basis.

**REPAY HOLDINGS CORPORATION**  
Quarterly Report on Form 10-Q  
For the quarter ended June 30, 2024

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements reflect our current views with respect to, among other things, anticipated benefits from our recent acquisitions, expected demand on our product offerings, including further implementation of electronic payment options and statements regarding our market and growth opportunities, and our business strategy and the plans and objectives of management for future operations. You generally can identify these statements by the use of words such as “outlook,” “potential,” “continue,” “may,” “seek,” “approximately,” “predict,” “believe,” “expect,” “plan,” “intend,” “estimate” or “anticipate” and similar expressions or the negative versions of these words or comparable words, as well as future or conditional verbs such as “will,” “should,” “would,” “likely” and “could.” These statements may be found under Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere, and are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. These risks and uncertainties include, but are not limited to: exposure to economic conditions and political risk affecting the consumer loan market, the receivables management industry and consumer and commercial spending, including bank failures or other adverse events affecting financial institutions, inflationary pressures, general economic slowdown or recession; changes in the payment processing market in which we compete, including with respect to its competitive landscape, technology evolution or regulatory changes; changes in the vertical markets that we target, including the regulatory environment applicable to our clients; the ability to retain, develop and hire key personnel; risks relating to our relationships within the payment ecosystem; risk that we may not be able to execute our growth strategies, including identifying and executing acquisitions; risks relating to data security; changes in accounting policies applicable to us; the risk that we may not be able to maintain effective internal controls; and those risks described under Part I, Item 1A “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2023. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, we disclaim any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, there is no assurance that the events or results suggested by the forward-looking statements will in fact occur, and you should not place undue reliance on these forward-looking statements.

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**PART I**  
**FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements**

**REPAY HOLDINGS CORPORATION**  
**Condensed Consolidated Balance Sheets**

<i>(\$ in thousands)</i>	<b>June 30, 2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 147,092	\$ 118,096
Accounts receivable	39,321	36,017
Prepaid expenses and other	15,522	15,209
<b>Total current assets</b>	<b>201,935</b>	<b>169,322</b>
Property, plant and equipment, net	2,913	3,133
Restricted cash	26,944	26,049
Intangible assets, net	416,382	447,141
Goodwill	716,793	716,793
Operating lease right-of-use assets, net	5,653	8,023
Deferred tax assets	148,545	146,872
Other assets	2,500	2,500
<b>Total noncurrent assets</b>	<b>1,319,730</b>	<b>1,350,511</b>
<b>Total assets</b>	<b>\$ 1,521,665</b>	<b>\$ 1,519,833</b>
<b>Liabilities</b>		
Accounts payable	\$ 24,354	\$ 22,030
Accrued expenses	26,528	32,906
Current operating lease liabilities	1,109	1,629
Current tax receivable agreement	—	580
Other current liabilities	742	318
<b>Total current liabilities</b>	<b>52,733</b>	<b>57,463</b>
Long-term debt	435,589	434,166
Noncurrent operating lease liabilities	5,169	7,247
Tax receivable agreement, net of current portion	194,610	188,331
Other liabilities	2,839	1,838
<b>Total noncurrent liabilities</b>	<b>638,207</b>	<b>631,582</b>
<b>Total liabilities</b>	<b>\$ 690,940</b>	<b>\$ 689,045</b>
Commitments and contingencies (Note 10)		
<b>Stockholders' equity</b>		
Class A common stock, \$0.0001 par value; 2,000,000,000 shares authorized; 92,987,543 issued and 91,571,033 outstanding as of June 30, 2024; 92,220,494 issued and 90,803,984 outstanding as of December 31, 2023	9	9
Class V common stock, \$0.0001 par value; 1,000 shares authorized and 100 shares issued and outstanding as of June 30, 2024 and December 31, 2023	—	—
Treasury stock, 1,416,510 shares as of June 30, 2024 and December 31, 2023	(12,528)	(12,528)
Additional paid-in capital	1,160,879	1,151,324
Accumulated deficit	(332,953)	(323,670)
<b>Total Repay stockholders' equity</b>	<b>\$ 815,407</b>	<b>\$ 815,135</b>
<b>Non-controlling interests</b>	<b>15,318</b>	<b>15,653</b>
<b>Total equity</b>	<b>\$ 830,725</b>	<b>\$ 830,788</b>
<b>Total liabilities and equity</b>	<b>\$ 1,521,665</b>	<b>\$ 1,519,833</b>

See accompanying notes to condensed consolidated financial statements.

**REPAY HOLDINGS CORPORATION**  
**Condensed Consolidated Statements of Operations**  
(Unaudited)

<i>(\$ in thousands, except per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenue</b>	\$ 74,906	\$ 71,783	\$ 155,626	\$ 146,320
<b>Operating expenses</b>				
Costs of services (exclusive of depreciation and amortization shown separately below)	16,321	16,840	35,496	34,805
Selling, general and administrative	35,235	38,177	72,256	76,695
Depreciation and amortization	26,771	26,483	53,799	52,623
Loss on business disposition	—	149	—	10,027
<b>Total operating expenses</b>	<b>78,327</b>	<b>81,649</b>	<b>161,551</b>	<b>174,150</b>
<b>Loss from operations</b>	<b>(3,421)</b>	<b>(9,866)</b>	<b>(5,925)</b>	<b>(27,830)</b>
<b>Other income (expense)</b>				
Interest income (expense), net	554	(388)	934	(1,311)
Change in fair value of tax receivable liability	(3,366)	4,056	(6,279)	(482)
Other income (loss), net	21	(183)	(5)	(333)
<b>Total other income (expense)</b>	<b>(2,791)</b>	<b>3,485</b>	<b>(5,350)</b>	<b>(2,126)</b>
Loss before income tax expense	(6,212)	(6,381)	(11,275)	(29,956)
Income tax benefit (expense)	1,975	1,051	1,673	(3,306)
<b>Net loss</b>	<b>\$ (4,237)</b>	<b>\$ (5,330)</b>	<b>\$ (9,602)</b>	<b>\$ (33,262)</b>
Less: Net loss attributable to non-controlling interests	(166)	(687)	(319)	(2,227)
<b>Net loss attributable to the Company</b>	<b>\$ (4,071)</b>	<b>\$ (4,643)</b>	<b>\$ (9,283)</b>	<b>\$ (31,035)</b>
<b>Loss per Class A share attributable to the Company:</b>				
Basic and diluted	\$ (0.04)	\$ (0.05)	\$ (0.10)	\$ (0.35)
<b>Weighted-average shares outstanding:</b>				
Basic and diluted	91,821,369	89,170,814	91,519,789	88,894,820

See accompanying notes to condensed consolidated financial statements.

**REPAY HOLDINGS CORPORATION**  
**Condensed Consolidated Statements of Changes in Equity**  
**(Unaudited)**

	Repay Stockholders								
	Class A Common Stock		Class V Common Stock		Additional Paid-In	Treasury	Accumulated	Non- controlling	Total
	Shares	Amount	Share s	Amou nt	Capital	Stock	Deficit	Interests	Equity
<i>(\$ in thousands)</i>									
Balance at March 31, 2023	88,672,189	\$ 9	100	\$ -	\$ 1,120,718	\$ (10,000)	\$ (239,572)	\$ 32,000	\$ 903,155
Exchange of Post-Merger Repay Units	1,402,118	-	-	-	5,655	-	-	(5,655)	-
Release of share awards vested under Incentive Plan and ESPP	249,367	-	-	-	2	-	-	(2)	-
Tax withholding related to shares vesting under Incentive Plan and ESPP	(28,946)	-	-	-	(174)	-	-	3	(171)
Stock-based compensation	-	-	-	-	6,516	-	-	1	6,517
Tax distribution from Hawk Parent	-	-	-	-	-	-	-	(555)	(555)
Net loss	-	-	-	-	-	-	(4,643)	(687)	(5,330)
Balance at June 30, 2023	<u>90,294,728</u>	<u>\$ 9</u>	<u>100</u>	<u>\$ -</u>	<u>\$ 1,132,717</u>	<u>\$ (10,000)</u>	<u>\$ (244,215)</u>	<u>\$ 25,105</u>	<u>\$ 903,616</u>
Balance at March 31, 2024	91,493,792	\$ 9	100	\$ -	\$ 1,155,215	\$ (12,528)	\$ (328,882)	\$ 15,484	\$ 829,298
Release of share awards vested under Incentive Plan and ESPP	90,411	-	-	-	1	-	-	(1)	-
Tax withholding related to shares vesting under Incentive Plan and ESPP	(13,170)	-	-	-	(83)	-	-	1	(82)
Stock-based compensation	-	-	-	-	5,746	-	-	-	5,746
Net loss	-	-	-	-	-	-	(4,071)	(166)	(4,237)
Balance at June 30, 2024	<u>91,571,033</u>	<u>\$ 9</u>	<u>100</u>	<u>\$ -</u>	<u>\$ 1,160,879</u>	<u>\$ (12,528)</u>	<u>\$ (332,953)</u>	<u>\$ 15,318</u>	<u>\$ 830,725</u>

See accompanying notes to condensed consolidated financial statements.

**REPAY HOLDINGS CORPORATION**  
**Condensed Consolidated Statements of Changes in Equity**  
**(Unaudited) (Continued)**

	Repay Stockholders								
	Class A Common Stock		Class V Common Stock		Additional Paid-In	Treasury	Accumulated	Non- controlling	Total
	Shares	Amount	Share s	Amou nt	Capital	Stock	Deficit	Interests	Equity
<i>(\$ in thousands)</i>									
Balance at December 31, 2022	88,276,613	\$ 9	100	\$ -	\$ 1,117,733	\$ (10,000)	\$ (213,180)	\$ 33,731	\$ 928,293
Exchange of Post-Merger Repay Units	1,416,578	-	-	-	5,716	-	-	(5,716)	-
Release of share awards vested under Incentive Plan and ESPP	778,210	-	-	-	2	-	-	(2)	-
Tax withholding related to shares vesting under Incentive Plan and ESPP	(176,673)	-	-	-	(1,384)	-	-	8	(1,376)
Stock-based compensation	-	-	-	-	10,650	-	-	(80)	10,570
Tax distribution from Hawk Parent	-	-	-	-	-	-	-	(609)	(609)
Net loss	-	-	-	-	-	-	(31,035)	(2,227)	(33,262)
Balance at June 30, 2023	<u>90,294,728</u>	<u>\$ 9</u>	<u>100</u>	<u>\$ -</u>	<u>\$ 1,132,717</u>	<u>\$ (10,000)</u>	<u>\$ (244,215)</u>	<u>\$ 25,105</u>	<u>\$ 903,616</u>
Balance at December 31, 2023	90,803,984	\$ 9	100	\$ -	\$ 1,151,324	\$ (12,528)	\$ (323,670)	\$ 15,653	\$ 830,788
Release of share awards vested under Incentive Plan and ESPP	1,025,595	-	-	-	1	-	-	(1)	-
Tax withholding related to shares vesting under Incentive Plan and ESPP	(258,546)	-	-	-	(2,495)	-	-	6	(2,489)
Stock-based compensation	-	-	-	-	12,049	-	-	(21)	12,028
Net loss	-	-	-	-	-	-	(9,283)	(319)	(9,602)
Balance at June 30, 2024	<u>91,571,033</u>	<u>\$ 9</u>	<u>100</u>	<u>\$ -</u>	<u>\$ 1,160,879</u>	<u>\$ (12,528)</u>	<u>\$ (332,953)</u>	<u>\$ 15,318</u>	<u>\$ 830,725</u>

See accompanying notes to condensed consolidated financial statements.

**REPAY HOLDINGS CORPORATION**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

(\$ in thousands)	Six Months Ended June 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net loss	\$ (9,602)	\$ (33,262)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	53,799	52,623
Stock based compensation	12,028	10,570
Amortization of debt issuance costs	1,423	1,423
Loss on business disposition	—	10,027
Other loss	—	118
Fair value change in tax receivable agreement liability	6,279	482
Deferred tax expense	(1,673)	3,306
Change in accounts receivable	(3,303)	(1,858)
Change in prepaid expenses and other	(313)	4,842
Change in operating lease ROU assets	2,368	87
Change in accounts payable	2,325	(3,388)
Change in accrued expenses and other	(6,378)	(2,957)
Change in operating lease liabilities	(2,599)	(34)
Change in other liabilities	1,426	(1,195)
<b>Net cash provided by operating activities</b>	<b>55,780</b>	<b>40,784</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(571)	(114)
Capitalized software development costs	(22,249)	(23,600)
Proceeds from sale of business, net of cash retained	—	40,273
<b>Net cash (used in) provided by investing activities</b>	<b>(22,820)</b>	<b>16,559</b>
<b>Cash flows from financing activities</b>		
Payments on long-term debt	—	(20,000)
Payments for tax withholding related to shares vesting under Incentive Plan and ESPP	(2,489)	(1,376)
Distributions to Members	—	(609)
Payment of Tax Receivable Agreement (“TRA”)	(580)	—
Payment of contingent consideration liability up to acquisition-date fair value	—	(1,000)
<b>Net cash used in financing activities</b>	<b>(3,069)</b>	<b>(22,985)</b>
<b>Increase in cash, cash equivalents and restricted cash</b>	<b>29,891</b>	<b>34,358</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>\$ 144,145</b>	<b>\$ 93,563</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 174,036</b>	<b>\$ 127,921</b>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during the year for:		
Interest	\$ 397	\$ 647
Income taxes	\$ 1,489	\$ 797

See accompanying notes to condensed consolidated financial statements.



**REPAY HOLDINGS CORPORATION**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

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**1. Organizational Structure and Corporate Information**

Repay Holdings Corporation was incorporated as a Delaware corporation on July 11, 2019 in connection with the closing of a transaction (the “Business Combination”) pursuant to which Thunder Bridge Acquisition Ltd., a special purpose acquisition company organized under the laws of the Cayman Islands (“Thunder Bridge”), (a) domesticated into a Delaware corporation and changed its name to “Repay Holdings Corporation” and (b) consummated the merger of a wholly owned subsidiary of Thunder Bridge with and into Hawk Parent Holdings, LLC, a Delaware limited liability company (“Hawk Parent”).

Throughout this section, unless otherwise noted or unless the context otherwise requires, the terms “we”, “us”, “Repay” and the “Company” and similar references refer to Repay Holdings Corporation and its consolidated subsidiaries.

The Company is headquartered in Atlanta, Georgia.

**2. Basis of Presentation and Summary of Significant Accounting Policies**

**Unaudited Interim Condensed Consolidated Financial Statements**

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited condensed consolidated financial statements and accompanying notes, which are included in the Annual Report on Form 10-K for the year ended December 31, 2023.

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and with instructions to Form 10-Q and Rule 10-01 of SEC Regulation S-X as they apply to interim financial information. Accordingly, the interim condensed consolidated financial statements do not include all of the information and notes required by GAAP for complete financial statements, although the Company believes that the disclosures made are adequate to make the information not misleading. The Company uses the accrual basis of accounting whereby revenues are recognized when earned, usually upon the date services are rendered, and expenses are recognized at the date services are rendered or goods are received.

The interim condensed consolidated financial statements are unaudited, but in the Company’s opinion include all adjustments of a normal recurring nature or a description of the nature and amount of any adjustments other than normal recurring adjustments, operations and cash flows as of and for the periods presented. The interim financial results are not necessarily indicative of results that may be expected for any other interim period or the fiscal year.

**Principles of Consolidation**

The condensed consolidated financial statements include the accounts of Repay Holdings Corporation and its majority-owned subsidiary, Hawk Parent Holdings LLC, along with Hawk Parent Holdings LLC’s wholly owned subsidiaries: Hawk Intermediate Holdings, LLC, Hawk Buyer Holdings, LLC, Repay Holdings, LLC, M&A Ventures, LLC, Repay Management Holdco Inc., Repay Management Services LLC, Sigma Acquisition, LLC, Wildcat Acquisition, LLC, Marlin Acquirer, LLC, REPAY International LLC, REPAY Canada Solutions ULC, TriSource Solutions, LLC (“TriSource”), Mesa Acquirer, LLC, CDT Technologies LTD (“Ventanex”), Viking GP Holdings, LLC, cPayPlus, LLC (“cPayPlus”), CPS Payment Services, LLC, Media Payments, LLC, Custom Payment Systems, LLC, Electronic Payment Providers, LLC, Internet Payment Exchange, LLC, Stratus Payment Solutions, LLC, Clear Payment Solutions, LLC, Harbor Acquisition LLC, Payix Holdings Incorporated and Payix Incorporated. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported Condensed Consolidated Statements of Operations during the reporting period. Actual results could differ materially from those estimates.

**REPAY HOLDINGS CORPORATION**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

**Reclassifications**

The Company changed its presentation for Interest expense to Interest income (expense), net within the Condensed Consolidated Statements of Operations. Prior period amounts have been revised to conform to the current presentation.

**Segment Reporting**

The Company reports operating results through two reportable segments: (1) Consumer Payments and (2) Business Payments, as further discussed in Note 13. Segments.

**Recently Issued Accounting Pronouncements not yet Adopted**

**Segment Reporting**

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2023-07, “*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07)”. ASU 2023-07 improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, on an annual and interim basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently in the process of evaluating the effects of ASU No. 2023-07 on its Consolidated Financial Statements.

**Income Taxes**

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, “*Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09)”. ASU 2023-09 requires public business entities on an annual basis to (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently in the process of evaluating the effects of ASU No. 2023-09 on its Consolidated Financial Statements.

**3. Revenue**

**Disaggregation of revenue**

The Company’s revenue is from two types of relationships: (i) direct relationships and (ii) indirect relationships. The following table presents the Company’s revenue disaggregated by segment and by the type of relationship for the periods indicated.

	<b>Three Months Ended June 30, 2024</b>			
<i>(\$ in thousands)</i>	<b>Consumer Payments</b>	<b>Business Payments</b>	<b>Elimination of intersegment revenues</b>	<b>Total</b>
<b>Revenue</b>				
Direct relationships	\$ 66,775	\$ 10,374	\$ (4,978)	\$ 72,171
Indirect relationships	2,517	218	—	2,735
<b>Total Revenue</b>	<b>\$ 69,292</b>	<b>\$ 10,592</b>	<b>\$ (4,978)</b>	<b>\$ 74,906</b>

**REPAY HOLDINGS CORPORATION**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

<b>Three Months Ended June 30, 2023</b>				
<i>(\$ in thousands)</i>	<b>Consumer Payments</b>	<b>Business Payments</b>	<b>Elimination of intersegment revenues</b>	<b>Total</b>
<b>Revenue</b>				
Direct relationships	\$ 62,899	\$ 9,530	\$ (3,970)	\$ 68,459
Indirect relationships	3,025	299	—	3,324
<b>Total Revenue</b>	<b>\$ 65,924</b>	<b>\$ 9,829</b>	<b>\$ (3,970)</b>	<b>\$ 71,783</b>

<b>Six Months Ended June 30, 2024</b>				
<i>(\$ in thousands)</i>	<b>Consumer Payments</b>	<b>Business Payments</b>	<b>Elimination of intersegment revenues</b>	<b>Total</b>
<b>Revenue</b>				
Direct relationships	\$ 140,086	\$ 19,845	\$ (10,071)	\$ 149,860
Indirect relationships	5,342	424	—	5,766
<b>Total Revenue</b>	<b>\$ 145,428</b>	<b>\$ 20,269</b>	<b>\$ (10,071)</b>	<b>\$ 155,626</b>

<b>Six Months Ended June 30, 2023</b>				
<i>(\$ in thousands)</i>	<b>Consumer Payments</b>	<b>Business Payments</b>	<b>Elimination of intersegment revenues</b>	<b>Total</b>
<b>Revenue</b>				
Direct relationships	\$ 129,373	\$ 17,964	\$ (8,048)	\$ 139,289
Indirect relationships	6,492	539	—	7,031
<b>Total Revenue</b>	<b>\$ 135,865</b>	<b>\$ 18,503</b>	<b>\$ (8,048)</b>	<b>\$ 146,320</b>

When the Company's right to consideration for performance is contingent upon a future event or satisfaction of additional performance obligations, the amount of revenues the Company has recognized in excess of the amount the Company has billed to the client is recognized as a contract asset. The contract asset balance was \$1.5 million and \$1.4 million as of June 30, 2024 and December 31, 2023, respectively, and is included within Prepaid expenses and other in the Consolidated Balance Sheets.

#### 4. Earnings Per Share

During the three and six months ended June 30, 2024 and 2023, basic and diluted net loss per common share are the same since the inclusion of the assumed exchange of all limited liability company interests of Hawk Parent ("Post-Merger Repay Units"), unvested share-based awards, outstanding stock options and the Company's Convertible Senior Notes due 2026 ("2026 Notes") would have been anti-dilutive.

The following table summarizes net loss attributable to the Company and the weighted average basic and diluted shares outstanding:

<i>(\$ in thousands, except per share data)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Loss before income tax expense	\$ (6,212)	\$ (6,381)	\$ (11,275)	\$ (29,956)
Less: Net loss attributable to non-controlling interests	(166)	(687)	(319)	(2,227)
Income tax benefit (expense)	1,975	1,051	1,673	(3,306)
Net loss attributable to the Company	<b>\$ (4,071)</b>	<b>\$ (4,643)</b>	<b>\$ (9,283)</b>	<b>\$ (31,035)</b>
Weighted average shares of Class A common stock outstanding - basic and diluted	91,821,369	89,170,814	91,519,789	88,894,820
Loss per share of Class A common stock outstanding - basic and diluted	\$ (0.04)	\$ (0.05)	\$ (0.10)	\$ (0.35)

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For the three and six months ended June 30, 2024 and 2023, the following common stock equivalent shares were excluded from the computation of the diluted loss per share, since their inclusion would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Post-Merger Repay Units exchangeable for Class A common stock	5,844,095	6,459,153	5,844,095	6,459,153
Unvested share-based awards of Class A common stock	6,645,141	5,772,187	6,645,141	5,772,187
Outstanding stock options for Class A common stock	1,148,822	1,148,822	1,148,822	1,148,822
2026 Notes convertible into Class A common stock	13,095,238	13,095,238	13,095,238	13,095,238
Share equivalents excluded from loss per share	26,733,296	26,475,400	26,733,296	26,475,400

Shares of the Company's Class V common stock do not participate in the earnings or losses of the Company and, therefore, are not participating securities. As such, separate presentation of basic and diluted earnings per share of Class V common stock under the two-class method has not been presented. Each share of the Company's Class V common stock gives the holder the right to vote the number of shares corresponding to the number of Post-Merger Repay Units held by that holder, but shares of Class V common stock have no economic rights.

**5. Business Disposition**

On February 15, 2023, the Company sold Blue Cow Software, LLC and a related entity ("BCS") within the Consumer Payments segment for cash proceeds of \$40.3 million, net of cash retained of \$1.6 million. During the six months ended June 30, 2023, the Company recognized a loss of \$10.0 million associated with the sale, comprised of the difference between the consideration received and the net carrying amount of the assets and liabilities of the business within Loss on business disposition in the Company's Condensed Consolidated Statement of Operations.

In connection with the disposition of BCS, the Company recognized a reduction in goodwill of \$35.3 million within the Consumer Payments segment. See Note 8. Goodwill for further discussion. For the six months ended June 30, 2023, BCS contributed \$1.2 million to the Consumer Payments segment revenue.

*Transaction Expenses*

The Company incurred transaction expenses of \$0.0 million and \$3.4 million for the three and six months ended June 30, 2023 related to the disposition of BCS. Transaction expenses are included within Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations.

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**6. Fair Value**

The following table summarizes, by level within the fair value hierarchy, estimated fair values of the Company's assets and liabilities measured at fair value on a recurring or nonrecurring basis or disclosed, but not carried, at fair value in the Condensed Consolidated Balance Sheets as of the dates presented. There were no transfers into, out of, or between levels within the fair value hierarchy during any of the periods presented.

(\$ in thousands)	June 30, 2024			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 147,092	\$ —	\$ —	\$ 147,092
Restricted cash	26,944	—	—	26,944
Other assets	—	2,500	—	2,500
<b>Total assets</b>	<b>\$ 174,036</b>	<b>\$ 2,500</b>	<b>\$ —</b>	<b>\$ 176,536</b>
<b>Liabilities:</b>				
Borrowings	\$ —	\$ 401,500	\$ —	\$ 401,500
Tax receivable agreement	—	—	194,610	194,610
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ 401,500</b>	<b>\$ 194,610</b>	<b>\$ 596,110</b>

(\$ in thousands)	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 118,096	\$ —	\$ —	\$ 118,096
Restricted cash	26,049	—	—	26,049
Other assets	—	2,500	—	2,500
<b>Total assets</b>	<b>\$ 144,145</b>	<b>\$ 2,500</b>	<b>\$ —</b>	<b>\$ 146,645</b>
<b>Liabilities:</b>				
Borrowings	\$ —	\$ 375,650	\$ —	\$ 375,650
Tax receivable agreement	—	—	188,911	188,911
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ 375,650</b>	<b>\$ 188,911</b>	<b>\$ 564,561</b>

**Cash and cash equivalents**

Cash and cash equivalents contains cash on hand, demand deposit accounts, money market accounts and short term investments with original maturities of three months or less. They are classified within Level 1 of the fair value hierarchy, under Accounting Standard Codification ("ASC") 820, *Fair Value Measurements* ("ASC 820"), as the price is obtained from quoted market prices in an active market. The carrying amounts of the Company's cash and cash equivalents approximate their fair values due to the short maturities and highly liquid nature of these accounts.

**Restricted Cash**

Restricted cash is classified within Level 1 of the fair value hierarchy under ASC 820, as the primary component is cash that is used as collateral for debts. The carrying amounts of the Company's restricted cash approximate their fair values due to the highly liquid nature.

**Other assets**

Other assets contain a minority equity investment in a privately-held company. The Company elected a measurement alternative for measuring this investment, in which the carrying amount is adjusted based on any observable price changes in orderly transactions. The investment is classified as Level 2 as observable adjustments to value are infrequent and occur in an inactive market.

**Borrowings**

The revolving credit facility and 2026 Notes are measured at amortized cost, which the carrying value is unpaid principal net of unamortized debt discount and debt issuance costs. The estimated fair value of the revolving credit facility approximates the unpaid principal because its interest rate approximates market interest rates. The estimated fair value of the 2026 Notes is determined using the quoted prices from over-the-counter markets. The estimated fair value of the

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Company's borrowings is classified within Level 2 of the fair value hierarchy, as the market interest rates and quoted prices are generally observable and do not contain a high level of subjectivity. As of June 30, 2024 and December 31, 2023, the Company had \$0 drawn against the revolving credit facility.

The following table provides the carrying value and estimated fair value of borrowings. See Note 9. Borrowings for further discussion on borrowings.

(\$ in thousands)	June 30, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
2026 Notes	\$ 435,589	\$ 401,500	\$ 434,166	\$ 375,650

**Tax Receivable Agreement**

Upon the completion of the Business Combination, the Company entered into the TRA with holders of Post-Merger Repay Units. As a result of the TRA, the Company established a liability in its condensed consolidated financial statements. The TRA is recorded at fair value based on estimates of discounted future cash flows associated with the estimated payments to the Post-Merger Repay Unit holders. These inputs are not observable in the market; thus, the TRA is classified within Level 3 of the fair value hierarchy, under ASC 820. The change in fair value is re-measured at each reporting period with the change in fair value being recognized in accordance with ASC 805, *Business Combinations*, which is recorded within Change in fair value of tax receivable liability in the Company's Condensed Consolidated Statements of Operations.

The Company used a discount rate, also referred to as the Early Termination Rate, as defined in the TRA, to determine the present value, based on a risk-free rate plus a spread, pursuant to the TRA. A rate of 7.05% was applied to the forecasted TRA payments at June 30, 2024, in order to determine the fair value. A significant increase or decrease in the discount rate could have resulted in a lower or higher balance, respectively, as of the measurement date. During the six months ended June 30, 2024, the TRA balance was adjusted by \$5.7 million through a payment, accretion expense and a valuation adjustment, related to a decrease in the income tax rate used to measure the TRA as of the Early Termination Date and a decrease in the discount rate, which was 7.10% as of December 31, 2023.

The following table provides a rollforward of the TRA related to the acquisition and exchanges of Post-Merger Repay Units. See Note 12. Taxation for further discussion on the TRA.

(\$ in thousands)	Six Months Ended June 30,	
	2024	2023
Balance at beginning of period	\$ 188,911	\$ 179,127
Purchases	—	1,987
Payments	(580)	—
Accretion expense	6,617	—
Valuation adjustment	(338)	482
<b>Balance at end of period</b>	<b>\$ 194,610</b>	<b>\$ 181,596</b>

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**7. Intangible Assets**

The Company holds definite and indefinite-lived intangible assets. As of June 30, 2024 and December 31, 2023, the indefinite-lived intangible assets consist of one trade name, arising from the acquisition of Hawk Parent.

Intangible assets consisted of the following:

<i>(\$ in thousands)</i>	<b>Gross Carrying Value</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Value</b>	<b>Weighted Average Useful Life (Years)</b>
Client relationships	\$ 523,850	\$ 216,949	\$ 306,901	5.82
Channel relationships	29,885	6,402	23,483	7.86
Software costs	269,465	203,551	65,914	0.73
Non-compete agreements	4,580	4,496	84	0.09
Trade name	20,000	—	20,000	—
<b>Balance as of June 30, 2024</b>	<b>\$ 847,780</b>	<b>\$ 431,398</b>	<b>\$ 416,382</b>	<b>4.21</b>
Client relationships	\$ 523,850	\$ 190,591	\$ 333,259	6.32
Channel relationships	29,785	4,792	24,993	8.39
Software costs	246,996	178,323	68,673	0.83
Non-compete agreements	4,580	4,364	216	0.23
Trade name	20,000	—	20,000	—
<b>Balance as of December 31, 2023</b>	<b>\$ 825,211</b>	<b>\$ 378,070</b>	<b>\$ 447,141</b>	<b>4.68</b>

The Company's amortization expense for intangible assets was \$26.6 million and \$53.0 million for the three and six months ended June 30, 2024, respectively. The Company's amortization expense for intangible assets was \$25.7 million and \$51.1 million for the three and six months ended June 30, 2023, respectively.

The estimated amortization expense for the next five years and thereafter in the aggregate is as follows:

<i>(\$ in thousands)</i>	<b>Year Ending December 31,</b>	<b>Estimated Future Amortization Expense</b>
	2024	\$ 47,083
	2025	85,691
	2026	70,910
	2027	57,240
	2028	55,167
	Thereafter	80,291

**8. Goodwill**

There were no changes in the carrying amount of goodwill for either the Consumer Payments or Business Payments segment during the six months ended June 30, 2024.

The Company concluded that goodwill was not impaired for either the Consumer Payments or Business Payments segment as of June 30, 2024. As of June 30, 2024 and December 31, 2023, accumulated impairment losses were \$75.7 million for the Business Payments segment.

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**9. Borrowings**

***Amended Credit Agreement***

On February 3, 2021, the Company announced the closing of a new undrawn \$125.0 million senior secured revolving credit facility through Truist Bank (the “Amended Credit Agreement”).

On December 29, 2021, the Company increased its existing senior secured credit facility by \$60.0 million to provide for a \$185.0 million revolving credit facility in favor of Hawk Parent pursuant to an amendment to the Amended Credit Agreement. The revolving credit facility is guaranteed by Repay Holdings Corporation and certain of its subsidiaries.

On February 9, 2023, the Company further amended the Amended Credit Agreement to replace London Inter-bank Offer Rate (“LIBOR”) with term Secured Overnight Financing Rate (“SOFR”) as the interest rate benchmark.

On February 28, 2023, the Company repaid in full the entire amount of \$20.0 million of the outstanding revolving credit facility. The undrawn capacity of the existing revolving credit facility under the Amended Credit Agreement became \$185.0 million after the repayment.

As of June 30, 2024, the Company had \$0 drawn against the revolving credit facility. The Company’s interest expense on the revolving credit facility, including unused commitment fees and amortization of deferred issuance costs, totaled \$0.9 million and \$1.8 million for the three and six months ended June 30, 2024, respectively. Interest expense was \$0.9 million and \$2.0 million for the three and six months ended June 30, 2023, respectively.

***Convertible Senior Debt***

On January 19, 2021, the Company issued \$440.0 million in aggregate principal amount of 0.00% Convertible Senior Notes due 2026 in a private placement. The initial conversion rate of any 2026 Notes was 29.7619 shares of Class A common stock per \$1,000 principal amount of 2026 Notes (equivalent to an initial conversion price of approximately \$33.60 per share of Class A common stock). Upon conversion of the 2026 Notes, the Company may choose to pay or deliver cash, shares of the Company’s Class A common stock, or a combination of cash and shares of the Company’s Class A common stock. The 2026 Notes will mature on February 1, 2026, unless earlier converted, repurchased or redeemed. Subject to Nasdaq requirements, the Company controls the conversion rights prior to November 3, 2025, unless a fundamental change or an event of default occurs.

During the six months ended June 30, 2024, the conversion contingencies of the 2026 Notes were not met, and the conversion terms of the 2026 Notes were not significantly changed.

The following table summarizes the total borrowings under the Amended Credit Agreement and Convertible Senior Debt:

<i>(\$ in thousands)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Non-current indebtedness:</b>		
Convertible Senior Debt	\$ 440,000	\$ 440,000
Total borrowings	440,000	440,000
Less: Long-term loan debt issuance cost <sup>(1)</sup>	4,411	5,834
<b>Total non-current borrowings</b>	<b>\$ 435,589</b>	<b>\$ 434,166</b>

<sup>(1)</sup> The Company incurred \$0.7 million and \$1.4 million of interest expense for the amortization of deferred debt issuance costs for the three and six months ended June 30, 2024, respectively. The Company incurred \$2.8 million of interest expense for the amortization of deferred debt issuance costs for the year ended December 31, 2023.



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The following is a summary of principal maturities of long-term debt for each of the next five years ending December 31 and in the aggregate:

(\$ in thousands)

2024	\$	—
2025		—
2026		440,000
2027		—
2028		—
	<u>\$</u>	<u>440,000</u>

## 10. Commitments and Contingencies

### Legal Matters

The Company is a party to various claims and lawsuits incidental to its business. In the Company's opinion, the liabilities, if any, which may ultimately result from the outcome of such matters, individually or in the aggregate, are not expected to have a material adverse effect on its financial position, liquidity, results of operations or cash flows.

### Leases

The Company has commitments under operating leases for real estate leased from third parties under non-cancelable operating leases. The Company's leases typically have lease terms between three years and ten years, with the longest lease term having an expiration date in 2035. Most of these leases include one or more renewal options for five years or less, and certain leases also include lessee termination options. At lease commencement, the Company assesses whether it is reasonably certain to exercise a renewal option, or reasonably certain not to exercise a termination option, by considering various economic factors. Options that are reasonably certain of being exercised are factored into the determination of the lease term, and related payments are included in the calculation of the right-of-use ("ROU") asset and lease liability.

On December 31, 2023, the Company entered into an amendment for one of the existing leases to relocate to another space within the building, commencing on August 1, 2024. The landlord provides a construction allowance, in the form of reimbursements, of up to \$1.4 million related to approved improvements and renovations of the landlord's property during the construction period. On July 25, 2024, the Company further amended and restated the agreement which modifies the commencement date of the lease to September 1, 2024.

During the three and six months ended June 30, 2024, the Company recognized sublease income of \$0.1 million and \$0.1 million, respectively, within Other (loss) income in the Company's Consolidated Statements of Operations.

The components of lease cost are presented in the following table:

(\$ in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Components of total lease costs:</b>				
Operating lease cost	\$ 435	\$ 721	\$ 863	\$ 1,380
Short-term lease cost	6	7	12	34
Variable lease cost	—	—	—	—
Total lease cost	<u>\$ 441</u>	<u>\$ 728</u>	<u>\$ 875</u>	<u>\$ 1,414</u>

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**Notes to the Unaudited Condensed Consolidated Financial Statements**

Amounts reported in the Condensed Consolidated Balance Sheets were as follows:

*(\$ in thousands)*

	June 30, 2024	December 31, 2023
<b>Operating leases:</b>		
ROU assets	\$ 5,653	\$ 8,023
Lease liability, current	1,109	1,629
Lease liability, long-term	5,169	7,247
Total lease liabilities	\$ 6,278	\$ 8,876
Weighted-average remaining lease term (in years)	4.1	4.3
Weighted-average discount rate (annualized)	6.2%	5.8%

Other information related to leases are as follows:

*(\$ in thousands)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$ 548	\$ 667	\$ 1,098	\$ 1,341
ROU assets obtained in exchange for lease liabilities:				
Operating leases	—	—	—	—

The following table presents a maturity analysis of the Company's operating leases liabilities as of June 30, 2024:

*(\$ in thousands)*

2024	\$ 762
2025	1,390
2026	1,335
2027	924
2028	734
Thereafter	2,808
Total undiscounted lease payments	7,953
Less: Imputed interest	1,675
Total lease liabilities	\$ 6,278

## 11. Share Based Compensation

### *Omnibus Incentive Plan*

At the 2019 Annual Shareholders Meeting of Thunder Bridge, the shareholders considered and approved the 2019 Omnibus Incentive Plan (the "Incentive Plan") which resulted in the reservation of 7,326,728 shares of Class A common stock for issuance thereunder. The Incentive Plan initially became effective immediately upon the closing of the Business Combination. In June 2022, the Incentive Plan was amended and restated to reserve an additional 6,500,000 shares of Class A common stock for issuance thereunder. In May 2024, the Incentive Plan was again amended and restated to reserve an additional 8,400,000 shares of Class A common stock for issuance thereunder.

Under this plan, the Company currently has four types of share-based compensation awards outstanding: performance stock units ("PSUs"), restricted stock awards ("RSAs"), restricted stock units ("RSUs") and performance-based stock options ("PSOs").

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*Share-Based Awards*

The following table summarizes share-based compensation expense and the related income tax benefit recognized for the Company's share-based compensation awards. Share-based compensation expenses are recorded within Selling, general and administrative in the Company's Condensed Consolidated Statement of Operations.

(\$ in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Share-based compensation expense	\$ 5.7	\$ 6.5	\$ 12.0	\$ 10.6
Income tax benefit	0.1	0.2	2.3	1.3

Activity for RSAs for the six months ended June 30, 2024 was as follows:

	Class A Common Stock	Weighted Average Grant Date Fair Value
Unvested at December 31, 2023	3,550,365	\$ 9.26
Granted	1,858,554	8.00
Forfeited <sup>(1)</sup>	436,239	9.92
Vested	703,836	10.78
Unvested at June 30, 2024	4,268,844	\$ 8.39

<sup>(1)</sup> The forfeited shares include shares forfeited as a result of employee terminations and shares withheld to satisfy employees' tax withholding and payment obligations in connection with the vesting of restricted stock awards under the Incentive Plan during the six months ended June 30, 2024; further, these forfeited shares are added back to the amount of shares available for grant under the Incentive Plan.

Activity for RSUs for the six months ended June 30, 2024 was as follows:

	Class A Common Stock	Weighted Average Grant Date Fair Value
Unvested at December 31, 2023	171,384	\$ 7.41
Granted	130,923	9.70
Forfeited	—	—
Vested	171,384	7.41
Unvested at June 30, 2024	130,923	\$ 9.70

On May 30, 2024, the Company's Compensation Committee approved two PSU grant agreements, with one vesting based on relative total stock return ("TSR PSUs") and one vesting based on adjusted EBITDA growth ("EBITDA PSUs"). TSR PSUs are based on a performance condition, such that the Company's total shareholder return relative to a comparator group for the applicable performance period determines the number of shares (if any) that is ultimately issued upon vesting. The grant date fair value of TSR PSUs is estimated using the Monte Carlo simulation. Compensation expense of TSR PSUs generally is recognized on a straight-line basis over the applicable performance period. EBITDA PSUs are based on a performance condition, such that the growth of the Company's adjusted EBITDA during each fiscal year within the applicable performance period determines the number of shares (if any) that is ultimately issued upon vesting. The grant date fair value of EBITDA PSUs is based on the quoted market value of the Company's Class A common stock on the grant date. As the Company determines that the performance condition associated with EBITDA PSUs is probable, the attributable compensation expense generally is recognized on a straight-line basis over the applicable performance period. If, in the future, it is determined that achieving the performance condition related to EBITDA PSUs is improbable, the Company would reverse any compensation expense recognized to date associated with EBITDA PSUs.

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Activity for PSUs for the six months ended June 30, 2024 was as follows:

	Class A Common Stock <sup>(1)</sup>	Weighted Average Grant Date Fair Value
Unvested at December 31, 2023	1,482,791	\$ 10.88
Granted	762,583	13.03
Forfeited	—	—
Vested	—	—
Unvested at June 30, 2024	2,245,374	\$ 11.61

<sup>(1)</sup> Represent shares to be paid out at 100% target level.

For PSUs, RSAs, and RSUs vested during the six months ended June 30, 2024, the total fair value, based upon the Company's Class A common stock price at the date vested, was \$11.3 million. Unrecognized compensation expense related to unvested PSUs, RSAs and RSUs was \$38.2 million at June 30, 2024, which is expected to be recognized as expense over the weighted-average period of 2.0 years.

*Stock Options*

Activity for PSOs for the six months ended June 30, 2024 was as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2023	1,148,822	6.13	7.0	\$ 2,768,661
Granted	—	—		
Forfeited	—	—		
Exercised	—	—		
Outstanding at June 30, 2024	1,148,822	\$ 6.13	7.0	\$ 5,089,281
Options vested and exercisable at June 30, 2024	353,354	\$ 6.13	7.0	\$ 1,565,358

The Company recognized compensation expense for PSOs of \$0.2 million and \$0.6 million during the three and six months ended June 30, 2024, respectively. The Company recognized compensation expense for PSOs of \$0.4 million and \$0.5 million during the three and six months ended June 30, 2023, respectively. Unrecognized compensation expense related to outstanding PSOs was \$0.9 million at June 30, 2024, which is expected to be recognized as expense over the weighted-average period of 1.3 years.

The weighted average grant date fair value of PSOs granted during the six months ended June 30, 2023 was \$2.61. Fair value was estimated on the date of grant using Monte Carlo simulation with the following weighted average assumptions:

	Six Months Ended June 30, 2023
Risk-free interest rate	3.42 %
Expected volatility	52.82 %
Dividend yield	0 %
Expected term (in years)	4.5

The risk-free interest rate was based on the yield of a zero-coupon U.S. Treasury security with a maturity equal to the contractual term of seven years. The assumption on expected volatility was based on the average of historical peer group volatilities using daily prices. The dividend yield assumption was determined as 0% since the Company pays no dividends. Expected term was based on the simplified method outlined in Staff Accounting Bulletin No. 14, Share-Based Payment due to the fact that Company does not have sufficient historical data upon which to estimate an expected term.

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Given that the Company's Class A common stock has been publicly traded for less than seven years, the Company believes that the simplified method is an applicable methodology to estimate the expected term of the options as of the grant date.

***Employee Stock Purchase Plan***

On August 18, 2021, the Company's stockholders approved the Repay Holdings Corporation 2021 Employee Stock Purchase Plan (the "ESPP"). The purpose of the ESPP is to provide eligible employees with the opportunity to purchase the Company's Class A common stock through accumulated payroll deductions. A total of 1,000,000 shares of the Company's Class A common stock are available for issuance under the ESPP. Under the ESPP, participants are offered the right to purchase shares of the Company's Class A common stock at a discount during a series of offering periods. The length of the offering periods under the ESPP will be determined by the administrator and may be up to twenty-seven months long.

**12. Taxation**

Repay Holdings Corporation is taxed as a corporation and is subject to paying corporate federal, state and local taxes on the income allocated to it from Hawk Parent, based upon Repay Holding Corporation's economic interest held in Hawk Parent, as well as any stand-alone income or loss it generates. Hawk Parent is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, Hawk Parent is not subject to U.S. federal and certain state and local income taxes. Hawk Parent's members, including Repay Holdings Corporation, are liable for federal, state and local income taxes based on their allocable share of Hawk Parent's pass-through taxable income.

The Company's effective tax rate was 31.8% and 14.8% for the three and six months ended June 30, 2024, respectively. The Company recorded an income tax benefit of \$2.0 million and \$1.7 million for the three and six months ended June 30, 2024, respectively. The effective tax rate for the three and six months ended June 30, 2024 includes a stock-based compensation adjustments net tax shortfall of \$1.6 million related to restricted stock awards vesting and a \$0.4 million state rate change impact on deferred taxes, which are required to be recorded discretely in the interim period in which they occur. The effective tax rate of the Company differs from the federal statutory rate of 21% primarily due to the tax structure of the Company, the relative weighting of the noncontrolling interest, and lower income from operations over the current relevant period, as well as the aforementioned items required to be reported discretely in the interim period. The Company's effective tax rate was 19% and (11%) for the three and six months ended June 30, 2023, respectively. The Company recorded an income tax benefit of \$1.1 million and an income tax expense of \$3.3 million for the three and six months ended June 30, 2023, respectively. The effective tax rate for the three and six months ended June 30, 2023 includes a stock-based compensation adjustments net tax shortfall of \$2.3 million related to restricted stock awards vesting, which is required to be recorded discretely in the interim period in which it occurs. In addition, the effective tax rate includes a net tax impact of \$5.8 million related to the disposition of BCS, which is required to be recorded discretely in the interim period in which it occurs due to it being a significant, infrequently occurring item disclosed separately in the quarterly financial statements.

The Company recognized adjustments of \$2.0 million and \$1.7 million for the three and six months ended June 30, 2024, respectively, of deferred tax assets related to the income tax benefit and expense, respectively, derived from the net operating income generated over the same period. The Company recognized adjustments of \$1.1 million and (\$3.3) million for the three and six months ended June 30, 2023, respectively, of deferred tax assets related to the income tax benefit and expense, respectively, derived from the net operating income generated over the same period.

Deferred tax assets, net of \$148.5 million as of June 30, 2024, relates primarily to the basis difference in the Company's investment in Hawk Parent. The basis difference arose primarily as a result of the subsequent exchanges of Post-Merger Repay Units by the Company. In addition, as a result of the merger with BillingTree on June 15, 2021, an estimated opening deferred tax liability net of \$36.1 million, as adjusted, was recorded. The merger was recognized as a Qualified Stock Purchase within the meaning of Internal Revenue Code (the "Code") Section 338(d)(3). As such, no step up in the tax asset basis was permitted creating an estimated net deferred tax liability related to the tax asset basis difference in the investment in Hawk Parent on the opening balance sheet date.

The Company did not recognize any adjustment to the deferred tax asset ("DTA") and offsetting deferred tax liability ("DTL") recorded as a result of the ceiling rule limitation arising under Code Sec. 704(c) for the three and six months ended June 30, 2024, to account for the portion of the Company's outside basis in the partnership interest that it

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will not recover through tax deductions. As the ceiling rule causes taxable income allocations to be in excess of 704(b) book allocations the DTL will unwind, leaving only the DTA, which may only be recovered through the sale of the partnership interest in Hawk Parent. The Company has concluded, based on the weight of all positive and negative evidence, that all of the DTA associated with the ceiling rule limitation is not likely to be realized. As such, a 100% valuation allowance was recognized.

No uncertain tax positions existed as of June 30, 2024.

***Tax Receivable Agreement Liability***

Pursuant to the Company's election under Section 754 of the Code, the Company expects to obtain an increase in its share of the tax basis in the net assets of Hawk Parent when Post-Merger Repay Units are redeemed or exchanged for Class A common stock of Repay Holdings Corporation. The Company intends to treat any redemptions and exchanges of Post-Merger Repay Units as direct purchases for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that the Company would otherwise pay in the future to various tax authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

On July 11, 2019, the Company entered into a TRA that provides for the payment by the Company of 100% of the amount of any tax benefits realized, or in some cases are deemed to realize, as a result of (i) increases in its share of the tax basis in the net assets of Hawk Parent resulting from any redemptions or exchanges of Post-Merger Repay Units and from its acquisition of the equity of the selling Hawk Parent members, (ii) tax basis increases attributable to payments made under the TRA, and (iii) deductions attributable to imputed interest pursuant to the TRA (the "TRA Payments"). The TRA Payments are not conditioned upon any continued ownership interest in Hawk Parent or the Company. The rights of each party under the TRA other than the Company are assignable. The timing and amount of aggregate payments due under the TRA may vary based on a number of factors, including the timing and amount of taxable income generated by the Company each year, as well as the tax rate then applicable, among other factors.

As of June 30, 2024, the Company had a liability of \$194.6 million related to its projected obligations under the TRA, which is captioned as tax receivable agreement liability in the Company's Unaudited Condensed Consolidated Balance Sheet. The increase of \$5.7 million in the TRA liability for the six months ended June 30, 2024, was primarily a result of the decrease in the Early Termination Rate and accretion, partially offset by a decrease in the tax rate and a payment of the current portion of the TRA liability, as reported at December 31, 2023, over the same period.

**13. Segments**

The Company organizes its business structure around two operating segments based on review of discrete financial results for each of the operating segments by the Company's chief operating decision maker ("CODM"), for performance assessment and resource allocation purposes. Each of the Company's operating segments represents a reportable segment based on ASC 280, Segment Reporting. The Company's two reportable segments are as follows: (1) Consumer Payments and (2) Business Payments.

*Consumer Payments*

The Consumer Payments segment provides payment processing solutions (including debit and credit card processing, ACH processing and other electronic payment acceptance solutions, as well as our loan disbursement product) that enable the Company's clients to collect payments and disburse funds to consumers and includes the Company's clearing and settlement solutions ("RCS") offering. RCS is the Company's proprietary clearing and settlement platform through which the Company markets customizable payment processing programs to other Independent Sales Organizations ("ISOs") and payment facilitators. The strategic vertical markets served by the Consumer Payments segment primarily include personal loans, automotive loans, receivables management, credit unions, mortgage servicing, consumer healthcare and diversified retail. The Consumer Payments segment represented approximately 86% and 87% of the Company's total revenue after any intersegment eliminations for the three and six months ended June 30, 2024, respectively. The Consumer Payments segment represented approximately 86% and 87% of the Company's total revenue after any intersegment eliminations for the three and six months ended June 30, 2023, respectively.

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*Business Payments*

The Business Payments segment provides payment processing solutions (including accounts payable automation, debit and credit card processing, virtual credit card processing, ACH processing and other electronic payment acceptance solutions) that enable the Company's clients to collect or send payments to other businesses. The strategic vertical markets served within the Business Payments segment primarily include retail automotive, education, field services, governments and municipalities, healthcare, HOA management and hospitality. The Business Payments segment represented approximately 14% and 13% of the Company's total revenue after any intersegment eliminations for the three and six months ended June 30, 2024, respectively. The Business Payments segment represented approximately 14% and 13% of the Company's total revenue after any intersegment eliminations for the three and six months ended June 30, 2023, respectively.

The following table presents revenue and gross profit for each reportable segment.

(\$ in thousand)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenue</b>				
Consumer Payments	\$ 69,292	\$ 65,924	\$ 145,428	\$ 135,865
Business Payments	10,592	9,829	20,269	18,503
Elimination of intersegment revenues <sup>(1)</sup>	(4,978)	(3,970)	(10,071)	(8,048)
<b>Total revenue</b>	<b>\$ 74,906</b>	<b>\$ 71,783</b>	<b>\$ 155,626</b>	<b>\$ 146,320</b>
<b>Gross profit <sup>(2)</sup></b>				
Consumer Payments	\$ 55,546	\$ 51,704	\$ 115,136	\$ 106,329
Business Payments	8,017	7,209	15,065	13,234
Elimination of intersegment revenues	(4,978)	(3,970)	(10,071)	(8,048)
<b>Total gross profit</b>	<b>\$ 58,585</b>	<b>\$ 54,943</b>	<b>\$ 120,130</b>	<b>\$ 111,515</b>
Total other operating expenses <sup>(3)</sup>	\$ 62,006	\$ 64,809	\$ 126,055	\$ 139,345
Total other income (expense)	(2,791)	3,485	(5,350)	(2,126)
Loss before income tax expense	(6,212)	(6,381)	(11,275)	(29,956)
Income tax benefit (expense)	1,975	1,051	1,673	(3,306)
<b>Net loss</b>	<b>\$ (4,237)</b>	<b>\$ (5,330)</b>	<b>\$ (9,602)</b>	<b>\$ (33,262)</b>

<sup>(1)</sup> Represents intercompany eliminations between segments for consolidation purpose.

<sup>(2)</sup> Represents revenue less costs of services (exclusive of depreciation and amortization).

<sup>(3)</sup> Represents total operating expenses less costs of services (exclusive of depreciation and amortization).

Revenue and costs of services are attributed directly to each segment. There is no significant concentration of revenue or assets in foreign countries as of June 30, 2024. The CODM reporting package does not include interest income (expense), net, depreciation and amortization, income tax benefit (expense) and discrete asset details of the operating segments as this information is not considered by the CODM for resource allocation or other segment analysis purposes.

**14. Subsequent Events**

Management has evaluated subsequent events and their potential effects on these unaudited condensed consolidated financial statements.

On July 8, 2024, the Company issued \$287.5 million aggregate principal amount of 2.875% Convertible Senior Notes due 2029 (the "2029 Notes") in a private placement to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. \$27.5 million aggregate principal amount of the 2029 Notes were sold in connection with the full exercise of the initial purchasers' option to purchase such additional 2029 Notes offering pursuant to the purchase agreement. The net proceeds of the 2029 Notes were \$281.1 million after fees and expenses incurred. The 2029 Notes bear interest at a fixed rate of 2.875% per year, payable semiannually in arrears on January 15 and July 15 of each year, beginning on January 15, 2025. The 2029 Notes will mature on July 15, 2029.

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unless earlier repurchased, redeemed, or converted in accordance with their terms. The 2029 Notes are convertible at the option of the holders, under certain circumstances and during certain periods, into cash up to the aggregate principal amount of the 2029 Notes to be converted and cash, shares of the Company's Class A common stock, or a combination of cash and shares, at the Company's election, in respect of the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the 2029 Notes being converted.

On July 8, 2024, in connection with the issuance of the 2029 Notes, the Company (i) repurchased \$220.0 million in aggregate principal amount of the 2026 Notes, (ii) used \$40.0 million of the net proceeds to repurchase approximately 3.9 million shares of Class A common stock, and (iii) incurred \$39.2 million of costs for privately negotiated capped call transactions with certain financial institutions to cover the number of shares of Class A common stock underlying the 2029 Notes. The capped call had an initial strike price of \$13.02 per share and a cap price of \$20.42 per share, which is subject to certain adjustments.

On July 10, 2024, the Company entered into a Second Amended and Restated Revolving Credit Agreement (the "Second Amended Credit Agreement") with certain financial institutions, as lenders, and Truist Bank, as administrative agent. The Second Amended Credit Agreement amends and restates the Amended Credit Agreement. The Amended Credit Agreement consisted of a senior secured revolving credit facility in the aggregate principal amount of \$185.0 million. The Second Amended Credit Agreement establishes a \$250.0 million senior secured revolving credit facility.

The facility under the Second Amended Credit Agreement matures on the earlier of (a) July 10, 2029, (b) the date that is 91 days prior to the maturity date of the Company's 2026 Notes (subject to certain exceptions for adequate liquidity) and (c) the date that is 91 days prior to the maturity date of the Company's 2029 Notes (subject to certain exceptions for adequate liquidity). The maturity date may be extended, subject to certain terms and conditions. The facility bears interest at rates based either on Term SOFR, plus a margin of between 1.75% and 2.75%, or, at the Company's option, a base rate based on the highest of the prime rate, the federal funds rate plus 0.50% and Term SOFR for a one-month interest period plus 1.00%, in each case plus an applicable margin of between 0.75% and 1.75%, with the margin in each case depending upon a total net leverage ratio.



## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*For purposes of this section, "Repay", the "Company", "we", or "our" refer to Repay Holdings Corporation and its subsidiaries, unless the context otherwise requires. Certain figures have been rounded for ease of presentation and may not sum due to rounding.*

### Cautionary Note Regarding Forward-Looking Statements

Statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding our financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including those set forth under Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

### Overview

We provide integrated payment processing solutions to industry-oriented markets in which clients have specific transaction processing needs. We refer to these markets as "vertical markets" or "verticals." Our proprietary, integrated payment technology platform reduces the complexity of the electronic payments process for businesses, while enhancing their consumers' overall experience. We are a payments innovator, differentiated by our proprietary, integrated payment technology platform and our ability to reduce the complexity of the electronic payments for businesses. We intend to continue to strategically target verticals where we believe our ability to tailor payment solutions to our client needs, our deep knowledge of our vertical markets and the embedded nature of our integrated payment solutions will drive strong growth by attracting new clients and fostering long-term client relationships.

We report our financial results based on two reportable segments.

*Consumer Payments* – Our Consumer Payments segment provides payment processing solutions (including debit and credit card processing, ACH processing and other electronic payment acceptance solutions, as well as our loan disbursement product) that enable our clients to collect payments from and disburse funds to consumers and includes our RCS offering. RCS is our proprietary clearing and settlement platform through which we market customizable payment processing programs to other ISOs and payment facilitators. The strategic vertical markets served by our Consumer Payments segment primarily include personal loans, automotive loans, receivables management, credit unions, mortgage servicing, consumer healthcare and diversified retail.

*Business Payments* – Our Business Payments segment provides payment processing solutions (including accounts payable automation, debit and credit card processing, virtual credit card processing, ACH processing and other electronic payment acceptance solutions) that enable our clients to collect payments from or send payments to other businesses. The strategic vertical markets served within our Business Payments segment primarily include retail automotive, education, field services, governments and municipalities, healthcare, HOA management and hospitality.

### Macroeconomic Conditions

We have been monitoring the current economic environment in the U.S. and globally – characterized by heightened inflation (including changes in wages), rising interest rates, supply chain issues, slower growth and recent banking system volatility. Such macroeconomic conditions may continue to evolve in ways that are difficult to fully anticipate and may also include increased levels of unemployment and/or a recession. Some or all of these market factors have and could continue to adversely affect our payment volumes from the consumer loan market, the receivables management industry and consumer and commercial spending. The effect of these events on our financial condition, results of operations and cash flows is uncertain and cannot be predicted at this time. Finally, the impact of all of these various events on our results in the first six months of 2024 may not be necessarily indicative of their impact on our results for the remainder of 2024.

## **Business Combination**

The Company was formed upon closing of the merger of Hawk Parent with a subsidiary of Thunder Bridge, a special purpose acquisition company, on July 11, 2019. On the closing of the Business Combination, Thunder Bridge changed its name to “Repay Holdings Corporation.”

## **Key Factors Affecting Our Business**

Key factors that we believe impact our business, results of operations and financial condition include, but are not limited to, the following:

- the dollar amount volume and the number of transactions that are processed by the clients that we currently serve;
- our ability to attract new clients and onboard them as active processing clients;
- our ability to (i) successfully integrate recent acquisitions and (ii) complete future acquisitions;
- our ability to offer new and competitive payment technology solutions to our clients; and
- general economic conditions and consumer finance trends.

## **Key Components of Our Revenues and Expenses**

### ***Revenues***

*Revenue.* As our clients process increased volumes of payments, our revenues increase as a result of the fees we charge for processing these payments. Most of our revenues are derived from volume-based payment processing fees (“discount fees”) and other related fixed per transaction fees. Discount fees represent a percentage of the dollar amount of each credit or debit transaction processed and include fees relating to processing and services that we provide. The transaction price for such processing services is determined, based on the judgment of management, considering factors such as margin objectives, pricing practices and controls, client segment pricing strategies, the product life cycle and the observable price of the service charged to similarly situated clients. During the three and six months ended June 30, 2024 and 2023, our chargeback rate was less than 1% of our card payment volume.

### ***Expenses***

*Costs of services.* Costs of services primarily include commissions to our software integration partners and other third-party processing costs, such as front and back-end processing costs and sponsor bank fees.

*Selling, general and administrative.* Selling, general and administrative expenses include salaries, share-based compensation and other employment costs, professional service fees, rent and utilities, and other operating costs.

*Depreciation and amortization.* Depreciation expense consists of depreciation on our investments in property, equipment and computer hardware. Depreciation expense is recognized on a straight-line basis over the estimated useful life of the asset. Amortization expense for software development costs and purchased software is recognized on the straight-line method over a three-year estimated useful life, between eight to ten years estimated useful life for client relationships and channel relationships, and between two to five years estimated useful life for non-compete agreements.

*Interest income (expense), net.* Interest income consists of interest received on our cash and cash equivalents. Interest expense consists of interest paid in respect of our indebtedness under the Amended Credit Agreement.

*Change in fair value of tax receivable liability.* This amount represents the change in fair value of the tax receivable agreement liability. The TRA liability is carried at fair value; so, any change to the valuation of this liability is recognized through this line in other expense. The change in fair value can result from the redemption or exchange of Post-Merger Repay Units for Class A common stock of Repay Holdings Corporation, through accretion of the discounted fair value of the expected future cash payments, or changes to the discount rate, or Early Termination Rate, used to determine the fair value of the liability.

## Results of Operations (Unaudited)

(in \$ thousands, except per share data)	Three Months Ended June 30,		Six Months ended June 30,	
	2024	2023	2024	2023
<b>Revenue</b>	\$ 74,906	\$ 71,783	\$ 155,626	\$ 146,320
<b>Operating expenses</b>				
Costs of services (exclusive of depreciation and amortization shown separately below)	16,321	16,840	35,496	34,805
Selling, general and administrative	35,235	38,177	72,256	76,695
Depreciation and amortization	26,771	26,483	53,799	52,623
Loss on business disposition	—	149	—	10,027
<b>Total operating expenses</b>	<b>78,327</b>	<b>81,649</b>	<b>161,551</b>	<b>174,150</b>
<b>Loss from operations</b>	<b>(3,421)</b>	<b>(9,866)</b>	<b>(5,925)</b>	<b>(27,830)</b>
<b>Other income (expense)</b>				
Interest income (expense), net	554	(388)	934	(1,311)
Change in fair value of tax receivable liability	(3,366)	4,056	(6,279)	(482)
Other income (loss), net	21	(183)	(5)	(333)
<b>Total other income (expense)</b>	<b>(2,791)</b>	<b>3,485</b>	<b>(5,350)</b>	<b>(2,126)</b>
<b>Loss before income tax expense</b>	<b>(6,212)</b>	<b>(6,381)</b>	<b>(11,275)</b>	<b>(29,956)</b>
Income tax benefit (expense)	1,975	1,051	1,673	(3,306)
<b>Net loss</b>	<b>\$ (4,237)</b>	<b>\$ (5,330)</b>	<b>\$ (9,602)</b>	<b>\$ (33,262)</b>
Net loss attributable to non-controlling interest	(166)	(687)	(319)	(2,227)
<b>Net loss attributable to the Company</b>	<b>\$ (4,071)</b>	<b>\$ (4,643)</b>	<b>\$ (9,283)</b>	<b>\$ (31,035)</b>
Weighted-average shares of Class A common stock outstanding - basic and diluted	91,821,369	89,170,814	91,519,789	88,894,820
<b>Loss per Class A share - basic and diluted</b>	<b>\$ (0.04)</b>	<b>\$ (0.05)</b>	<b>\$ (0.10)</b>	<b>\$ (0.35)</b>

### Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

#### Revenue

Total revenue was \$74.9 million for the three months ended June 30, 2024 and \$71.8 million for the three months ended June 30, 2023, an increase of \$3.1 million or 4.4%. This increase was the result of newly signed clients and the growth of our existing clients.

#### Costs of Services

Costs of services were \$16.3 million for the three months ended June 30, 2024 and \$16.8 million for the three months ended June 30, 2023, a decrease of \$0.5 million or 3.1%.

#### Selling, General and Administrative Expenses

Selling, general and administrative expenses were \$35.2 million for the three months ended June 30, 2024 and \$38.2 million for the three months ended June 30, 2023, a decrease of \$2.9 million or (7.7%), primarily due to a \$2.1 million decrease in compensation expenses related to our strategic restructuring and a \$0.6 million decrease in software and technological services expenses related to platform integrations.

#### Depreciation and Amortization Expenses

Depreciation and amortization expenses were \$26.8 million for the three months ended June 30, 2024 and \$26.5 million for the three months ended June 30, 2023, an increase of \$0.3 million or 1.1%. This increase was driven by additional amortization related to newly capitalized software.

#### Interest Income (Expense), net

Interest income (expense), net was \$0.6 million for the three months ended June 30, 2024, and included \$1.5 million of interest income and (\$0.9) million of interest expense. Interest income (expense), net was (\$0.4) million for the three months ended June 30, 2023, and included \$0.5 million of interest income and (\$0.9) million of interest expense.

Interest income increased by \$1.0 million compared to the prior year period, due to higher average interest rates earned on our cash and cash equivalents.

#### ***Change in Fair Value of Tax Receivable Liability***

We incurred a loss, related to accretion expense and fair value adjustment of the tax receivable liability of \$3.4 million for the three months ended June 30, 2024, compared to a \$4.1 million gain for the three months ended June 30, 2023, a decrease of \$7.4 million. This decrease was due to lower fair value adjustments related to the tax receivable liability, primarily as a result of accretion and changes to the discount rate, or Early Termination Rate, used to determine the fair value of the liability.

#### ***Income Tax Benefit and Expense***

The income tax benefit was \$2.0 million for the three months ended June 30, 2024. This was a result of the operating loss incurred by us, primarily driven by the change in fair value of the tax receivable liability, stock-based compensation deductions and the amortization of assets acquired in the Business Combination and prior acquisitions, offset by stock-based compensation expense net tax shortfall which is required to be reported discretely in the interim period in which they occur. The income tax benefit was \$1.1 million for the three months ended June 30, 2023, which was a result of the operating loss incurred by us, primarily driven by the change in fair value of the tax receivable liability, stock-based compensation deductions and the amortization of assets acquired in the Business Combination and prior acquisitions, offset by stock-based compensation expense net tax shortfall and the impact of the BCS disposition which are both required to be reported discretely in the interim period in which they occur.

#### ***Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023***

##### ***Revenue***

Total revenue was \$155.6 million for the six months ended June 30, 2024 and \$146.3 million for the six months ended June 30, 2023, an increase of \$9.3 million or 6.4%. This increase was the result of newly signed clients and the growth of our existing clients. For the six months ended June 30, 2023, revenues of approximately \$1.2 million are attributable to BCS.

##### ***Costs of Services***

Costs of services were \$35.5 million for the six months ended June 30, 2024 and \$34.8 million for the six months ended June 30, 2023, an increase of \$0.7 million or 2.0%. This increase was the result of newly signed clients and the growth of our existing clients. For the six months ended June 30, 2023, costs of services of less than \$0.1 million are attributable to BCS.

##### ***Selling, General and Administrative Expenses***

Selling, general and administrative expenses were \$72.3 million for the six months ended June 30, 2024 and \$76.7 million for the six months ended June 30, 2023, a decrease of \$4.4 million or 5.8%, primarily due to a \$3.3 million decrease in transaction expenses related to the disposition of BCS in the prior year period and a \$1.2 million decrease in compensation expenses related to our strategic restructuring.

##### ***Depreciation and Amortization Expenses***

Depreciation and amortization expenses were \$53.8 million for the six months ended June 30, 2024 and \$52.6 million for the six months ended June 30, 2023, an increase of \$1.2 million or 2.2%. This increase was driven by additional amortization related to newly capitalized software.

##### ***Interest Income (Expense), net***

Interest income (expense), net was \$0.9 million for the six months ended June 30, 2024, and included \$2.7 million of interest income and (\$1.8) million of interest expense. Interest income (expense), net was (\$1.3) million for the six months ended June 30, 2023, and included \$0.8 million of interest income and (\$2.1) million of interest expense. Interest income increased by \$1.9 million compared to prior year period, due to higher average interest rates earned on our cash

and cash equivalents. Interest expense decreased by \$0.3 million compared to the prior year period, due to a lower outstanding principal balance under our Amended Credit Agreement.

#### **Change in Fair Value of Tax Receivable Liability**

We incurred a loss, related to accretion expense and fair value adjustment of the tax receivable liability of \$6.3 million for the six months ended June 30, 2024, compared to a \$0.5 million net loss for the six months ended June 30, 2023, a decrease of \$5.8 million. This decrease was due to lower fair value adjustments related to the tax receivable liability, primarily as a result of accretion and changes to the discount rate, or Early Termination Rate, used to determine the fair value of the liability.

#### **Income Tax Benefit and Expense**

The income tax benefit was \$1.7 million for the six months ended June 30, 2024. This was a result of the operating loss incurred by us, primarily driven by the change in fair value of the tax receivable liability, stock-based compensation deductions and the amortization of assets acquired in the Business Combination and prior acquisitions, offset by stock-based compensation expense net tax shortfall and the state rate change impact on deferred taxes which are both required to be reported discretely in the interim period in which they occur. The income tax expense was \$3.3 million for the six months ended June 30, 2023, which was a result of the operating loss incurred by us, primarily driven by the change in fair value of the tax receivable liability, stock-based compensation deductions and the amortization of assets acquired in the Business Combination and prior acquisitions, offset by stock-based compensation expense net tax shortfall and the impact of the BCS disposition which are both required to be reported discretely in the interim period in which they occur.

#### **Segments**

We provided our services through two reportable segments: (1) Consumer Payments and (2) Business Payments.

The following table presents our segment revenue and selected performance measures.

(\$ in thousand)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenue</b>				
Consumer Payments	\$ 69,292	\$ 65,924	\$ 145,428	\$ 135,865
Business Payments	10,592	9,829	20,269	18,503
Elimination of intersegment revenues	(4,978)	(3,970)	(10,071)	(8,048)
<b>Total revenue</b>	<b>\$ 74,906</b>	<b>\$ 71,783</b>	<b>\$ 155,626</b>	<b>\$ 146,320</b>
<b>Gross profit <sup>(1)</sup></b>				
Consumer Payments	\$ 55,546	\$ 51,704	\$ 115,136	\$ 106,329
Business Payments	8,017	7,209	15,065	13,234
Elimination of intersegment revenues	(4,978)	(3,970)	(10,071)	(8,048)
<b>Total gross profit</b>	<b>\$ 58,585</b>	<b>\$ 54,943</b>	<b>\$ 120,130</b>	<b>\$ 111,515</b>
<b>Total gross profit margin <sup>(2)</sup></b>	<b>78%</b>	<b>77%</b>	<b>77%</b>	<b>76%</b>

(1) Gross profit represents revenue less cost of services (exclusive of depreciation and amortization).

(2) Gross profit margin represents total gross profit / total revenue.

#### **Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023**

##### *Consumer Payments*

Revenue for the Consumer Payments segment was \$69.3 million for the three months ended June 30, 2024 and \$65.9 million for the three months ended June 30, 2023, representing a \$3.4 million or 5.1% year-over-year increase. This increase was the result of newly signed clients and the growth of existing clients.

Gross profit for the Consumer Payments segment was \$55.5 million for the three months ended June 30, 2024 and \$51.7 million for three months ended June 30, 2023, representing a \$3.8 million or 7.4% year-over-year increase. This increase was the result of newly signed clients and the growth of existing clients.

### *Business Payments*

Revenue for the Business Payments segment was \$10.6 million for the three months ended June 30, 2024 and \$9.8 million for the three months ended June 30, 2023, representing a \$0.8 million or 7.8% year-over-year increase. This increase was the result of newly signed clients and the growth of existing clients.

Gross profit for the Business Payments segment was \$8.0 million for the three months ended June 30, 2024 and \$7.2 million for the three months ended June 30, 2023, representing a \$0.8 million or 11.2% year-over-year increase. This increase was the result of newly signed clients and the growth of existing clients.

### ***Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023***

#### *Consumer Payments*

Revenue for the Consumer Payments segment was \$145.4 million for the six months ended June 30, 2024 and \$135.9 million for the six months ended June 30, 2023, representing a \$9.6 million or 7.0% year-over-year increase. This increase was the result of newly signed clients and the growth of existing clients. For the six months ended June 30, 2023, revenues of approximately \$1.2 million are attributable to BCS.

Gross profit for the Consumer Payments segment was \$115.1 million for the six months ended June 30, 2024 and \$106.3 million for six months ended June 30, 2023, representing a \$8.8 million or 8.3% year-over-year increase. This increase was the result of newly signed clients and the growth of existing clients. For the six months ended June 30, 2023, gross profit of approximately \$1.2 million is attributable to BCS.

#### *Business Payments*

Revenue for the Business Payments segment was \$20.3 million for the six months ended June 30, 2024 and \$18.5 million for the six months ended June 30, 2023, representing a \$1.8 million or 9.5% year-over-year increase. This increase was the result of newly signed clients and the growth of existing clients.

Gross profit for the Business Payments segment was \$15.1 million for the six months ended June 30, 2024 and \$13.2 million for the six months ended June 30, 2023, representing a \$1.8 million or 13.8% year-over-year increase. This increase was the result of newly signed clients and the growth of existing clients.

## Non-GAAP Financial Measures

This report includes certain non-GAAP financial measures that management uses to evaluate our operating business, measure our performance and make strategic decisions.

Adjusted EBITDA is a non-GAAP financial measure that represents net income prior to interest expense, tax expense, depreciation and amortization, as adjusted to add back certain charges deemed to not be part of normal operating expenses, non-cash charges and/or non-recurring charges, such as loss on business disposition, non-cash impairment loss, non-cash change in fair value of assets and liabilities, share-based compensation charges, transaction expenses, restructuring and other strategic initiative costs and other non-recurring charges.

Adjusted Net Income is a non-GAAP financial measure that represents net income prior to amortization of acquisition-related intangibles, as adjusted to add back certain charges deemed to not be part of normal operating expenses, non-cash charges and/or non-recurring charges, such as loss on business disposition, non-cash impairment loss, non-cash change in fair value of assets and liabilities, share-based compensation expense, transaction expenses, restructuring and other strategic initiative costs, other non-recurring charges, non-cash interest expense and net of tax effect associated with these adjustments. Adjusted Net Income is adjusted to exclude amortization of all acquisition-related intangibles as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. Management believes that the adjustment of acquisition-related intangible amortization supplements GAAP financial measures because it allows for greater comparability of operating performance. Although we exclude amortization from acquisition-related intangibles from our non-GAAP expenses, management believes that it is important for investors to understand that such intangibles were recorded as part of purchase accounting and contribute to revenue generation.

Adjusted Net Income per share is a non-GAAP financial measure that represents Adjusted Net Income divided by the weighted average number of shares of Class A common stock outstanding (on an as-converted basis assuming conversion of the outstanding Post-Merger Repay Units) for the three and six months ended June 30, 2024 and 2023 (excluding shares subject to forfeiture).

We believe that Adjusted EBITDA, Adjusted Net Income and Adjusted Net Income per share provide useful information to investors and others in understanding and evaluating its operating results in the same manner as management. However, Adjusted EBITDA, Adjusted Net Income and Adjusted Net Income per share are not financial measures calculated in accordance with GAAP and should not be considered as a substitute for net income, operating profit or any other operating performance measure calculated in accordance with GAAP. Using these non-GAAP financial measures to analyze our business has material limitations because the calculations are based on the subjective determination of management regarding the nature and classification of events and circumstances that investors may find significant. In addition, although other companies in our industry may report measures titled Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per share or similar measures, such non-GAAP financial measures may be calculated differently from how we calculate our non-GAAP financial measures, which reduces their overall usefulness as comparative measures. Because of these limitations, you should consider Adjusted EBITDA, Adjusted Net Income and Adjusted Net Income per share alongside other financial performance measures, including net income and our other financial results presented in accordance with GAAP.

The following tables set forth a reconciliation of our results of operations for the three and six months ended June 30, 2024 and 2023.

**REPAY HOLDINGS CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA**  
**For the three months ended June 30, 2024 and 2023**  
**(Unaudited)**

<i>(in \$ thousands)</i>	Three Months ended June 30,	
	2024	2023
<b>Revenue</b>	<b>\$ 74,906</b>	<b>\$ 71,783</b>
<b>Operating expenses</b>		
Costs of services (exclusive of depreciation and amortization shown separately below)	\$ 16,321	\$ 16,840
Selling, general and administrative	35,235	38,177
Depreciation and amortization	26,771	26,483
Loss on business disposition	—	149
Total operating expenses	\$ 78,327	\$ 81,649
<b>Loss from operations</b>	<b>\$ (3,421)</b>	<b>\$ (9,866)</b>
<b>Other income (expense)</b>		
Interest income (expense), net	554	(388)
Change in fair value of tax receivable liability	(3,366)	4,056
Other income (loss), net	21	(183)
Total other income (expense)	(2,791)	3,485
<b>Loss before income tax expense</b>	<b>(6,212)</b>	<b>(6,381)</b>
Income tax benefit (expense)	1,975	1,051
<b>Net loss</b>	<b>\$ (4,237)</b>	<b>\$ (5,330)</b>
<b>Add:</b>		
Interest (income) expense, net	(554)	388
Depreciation and amortization <sup>(a)</sup>	26,771	26,483
Income tax benefit	(1,975)	(1,051)
<b>EBITDA</b>	<b>\$ 20,005</b>	<b>\$ 20,490</b>
Loss on business disposition <sup>(b)</sup>	—	149
Non-cash impairment loss <sup>(c)</sup>	—	50
Non-cash change in fair value of assets and liabilities <sup>(d)</sup>	3,366	(4,056)
Share-based compensation expense <sup>(e)</sup>	5,874	6,517
Transaction expenses <sup>(f)</sup>	414	793
Restructuring and other strategic initiative costs <sup>(g)</sup>	2,584	4,041
Other non-recurring charges <sup>(h)</sup>	1,485	2,541
<b>Adjusted EBITDA</b>	<b>\$ 33,728</b>	<b>\$ 30,525</b>



**REPAY HOLDINGS CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA**  
**For the six months ended June 30, 2024 and 2023**  
**(Unaudited)**

<i>(in \$ thousands)</i>	Six Months ended June 30,	
	2024	2023
<b>Revenue</b>	<b>\$ 155,626</b>	<b>\$ 146,320</b>
<b>Operating expenses</b>		
Costs of services (exclusive of depreciation and amortization shown separately below)	\$ 35,496	\$ 34,805
Selling, general and administrative	72,256	76,695
Depreciation and amortization	53,799	52,623
Loss on business disposition	—	10,027
Total operating expenses	\$ 161,551	\$ 174,150
<b>Loss from operations</b>	<b>\$ (5,925)</b>	<b>\$ (27,830)</b>
<b>Other income (expense)</b>		
Interest income (expense), net	934	(1,311)
Change in fair value of tax receivable liability	(6,279)	(482)
Other income (loss), net	(5)	(333)
Total other income (expense)	(5,350)	(2,126)
<b>Loss before income tax expense</b>	<b>(11,275)</b>	<b>(29,956)</b>
Income tax benefit (expense)	1,673	(3,306)
<b>Net loss</b>	<b>\$ (9,602)</b>	<b>\$ (33,262)</b>
<b>Add:</b>		
Interest (income) expense, net	(934)	1,311
Depreciation and amortization <sup>(a)</sup>	53,799	52,623
Income tax (benefit) expense	(1,673)	3,306
<b>EBITDA</b>	<b>\$ 41,590</b>	<b>\$ 23,978</b>
Loss on business disposition <sup>(b)</sup>	—	10,027
Non-cash impairment loss <sup>(c)</sup>	—	50
Non-cash change in fair value of assets and liabilities <sup>(d)</sup>	6,279	482
Share-based compensation expense <sup>(e)</sup>	12,797	10,571
Transaction expenses <sup>(f)</sup>	1,091	6,790
Restructuring and other strategic initiative costs <sup>(g)</sup>	4,768	5,452
Other non-recurring charges <sup>(h)</sup>	2,716	4,113
<b>Adjusted EBITDA</b>	<b>\$ 69,241</b>	<b>\$ 61,463</b>

**REPAY HOLDINGS CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income**  
**For the three months ended June 30, 2024 and 2023**  
**(Unaudited)**

<i>(in \$ thousands)</i>	Three Months ended June 30,	
	2024	2023
<b>Revenue</b>	<b>\$ 74,906</b>	<b>\$ 71,783</b>
Operating expenses		
Costs of services (exclusive of depreciation and amortization shown separately below)	\$ 16,321	\$ 16,840
Selling, general and administrative	35,235	38,177
Depreciation and amortization	26,771	26,483
Loss on business disposition	—	149
Total operating expenses	\$ 78,327	\$ 81,649
<b>Loss from operations</b>	<b>\$ (3,421)</b>	<b>\$ (9,866)</b>
Interest income (expense), net	554	(388)
Change in fair value of tax receivable liability	(3,366)	4,056
Other income (loss), net	21	(183)
Total other income (expense)	(2,791)	3,485
<b>Loss before income tax expense</b>	<b>(6,212)</b>	<b>(6,381)</b>
Income tax benefit (expense)	1,975	1,051
<b>Net loss</b>	<b>\$ (4,237)</b>	<b>\$ (5,330)</b>
<b>Add:</b>		
Amortization of acquisition-related intangibles <sup>(i)</sup>	19,702	20,963
Loss on business disposition <sup>(b)</sup>	—	149
Non-cash impairment loss <sup>(c)</sup>	—	50
Non-cash change in fair value of assets and liabilities <sup>(d)</sup>	3,366	(4,056)
Share-based compensation expense <sup>(e)</sup>	5,874	6,517
Transaction expenses <sup>(f)</sup>	414	793
Restructuring and other strategic initiative costs <sup>(g)</sup>	2,584	4,041
Other non-recurring charges <sup>(h)</sup>	1,485	2,541
Non-cash interest expense <sup>(i)</sup>	712	712
Pro forma taxes at effective rate <sup>(k)</sup>	(8,138)	(6,869)
<b>Adjusted Net Income</b>	<b>\$ 21,762</b>	<b>\$ 19,511</b>
Shares of Class A common stock outstanding (on an as-converted basis) <sup>(l)</sup>	97,665,464	96,796,143
<b>Adjusted Net Income per share</b>	<b>\$ 0.22</b>	<b>\$ 0.20</b>

**REPAY HOLDINGS CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income**  
**For the six months ended June 30, 2024 and 2023**  
**(Unaudited)**

(in \$ thousands)	Six Months ended June 30,	
	2024	2023
<b>Revenue</b>	<b>\$ 155,626</b>	<b>\$ 146,320</b>
Operating expenses		
Costs of services (exclusive of depreciation and amortization shown separately below)	\$ 35,496	\$ 34,805
Selling, general and administrative	72,256	76,695
Depreciation and amortization	53,799	52,623
Loss on business disposition	—	10,027
Total operating expenses	\$ 161,551	\$ 174,150
<b>Loss from operations</b>	<b>\$ (5,925)</b>	<b>\$ (27,830)</b>
Other expenses		
Interest income (expense), net	934	(1,311)
Change in fair value of tax receivable liability	(6,279)	(482)
Other income (loss), net	(5)	(333)
Total other income (expense)	(5,350)	(2,126)
<b>Loss before income tax expense</b>	<b>(11,275)</b>	<b>(29,956)</b>
Income tax benefit (expense)	1,673	(3,306)
<b>Net loss</b>	<b>\$ (9,602)</b>	<b>\$ (33,262)</b>
<b>Add:</b>		
Amortization of acquisition-related intangibles <sup>(i)</sup>	39,438	40,887
Loss on business disposition <sup>(b)</sup>	—	10,027
Non-cash impairment loss <sup>(c)</sup>	—	50
Non-cash change in fair value of assets and liabilities <sup>(d)</sup>	6,279	482
Share-based compensation expense <sup>(e)</sup>	12,797	10,571
Transaction expenses <sup>(f)</sup>	1,091	6,790
Restructuring and other strategic initiative costs <sup>(g)</sup>	4,768	5,452
Other non-recurring charges <sup>(h)</sup>	2,716	4,113
Non-cash interest expense <sup>(i)</sup>	1,424	1,424
Pro forma taxes at effective rate <sup>(k)</sup>	(14,771)	(7,830)
<b>Adjusted Net Income</b>	<b>\$ 44,140</b>	<b>\$ 38,704</b>
Shares of Class A common stock outstanding (on an as-converted basis) <sup>(l)</sup>	97,363,884	96,639,545
<b>Adjusted Net Income per share</b>	<b>\$ 0.45</b>	<b>\$ 0.40</b>

- (a) See footnote (i) for details on amortization and depreciation expenses.
- (b) Reflects the loss recognized related to the disposition of BCS.
- (c) For the three and six months ended June 30, 2023, reflects impairment loss related to trade name write-offs of MPI.
- (d) Reflects the changes in management's estimates of the fair value of the liability relating to TRA.
- (e) Represents compensation expense associated with equity compensation plans.
- (f) Primarily consists of (i) during the three and six months ended June 30, 2024, professional service fees incurred in connection with prior transactions, and (ii) during the three and six months ended June 30, 2023, professional service fees and other costs incurred in connection with the disposition of BCS.
- (g) Reflects costs associated with reorganization of operations, consulting fees related to processing services and other operational improvements, including restructuring and integration activities related to acquired businesses, that were not in the ordinary course.
- (h) For the three and six months ended June 30, 2024, reflects franchise taxes and other non-income based taxes, non-recurring legal and other litigation expenses, and payments made to third-parties in connection with our IT security and personnel. For the three and six months ended June 30, 2023, reflects non-recurring payments made to third-parties in connection with a significant expansion of our personnel, one-time payments to certain partners and franchise taxes and other non-income based taxes.
- (i) For the three and six months ended June 30, 2024 and 2023, reflects amortization of client relationships,

non-compete agreement, software, and channel relationship intangibles acquired through the Business Combination, and client relationships, non-compete agreement, and software intangibles acquired through our acquisitions of TriSource, APS, Ventanex, cPayPlus, CPS, BillingTree, Kontrol and Payix. This adjustment excludes the amortization of other intangible assets which were acquired in the regular course of business, such as capitalized internally developed software and purchased software. See additional information below for an analysis of our amortization expenses:

<i>(in \$ thousands)</i>	<b>Three Months ended June 30,</b>		<b>Six Months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Acquisition-related intangibles	\$ 19,702	\$ 20,963	\$ 39,438	\$ 40,887
Software	6,856	4,772	13,569	10,247
Amortization	\$ 26,558	\$ 25,735	\$ 53,007	\$ 51,134
Depreciation	213	748	792	1,489
<b>Total Depreciation and amortization <sup>(1)</sup></b>	<b>\$ 26,771</b>	<b>\$ 26,483</b>	<b>\$ 53,799</b>	<b>\$ 52,623</b>

(1) Adjusted Net Income is adjusted to exclude amortization of all acquisition-related intangibles as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions (see corresponding adjustments in the reconciliation of net income to Adjusted Net Income presented above). Management believes that the adjustment of acquisition-related intangible amortization supplements GAAP financial measures because it allows for greater comparability of operating performance. Although we exclude amortization from acquisition-related intangibles from our non-GAAP expenses, management believes that it is important for investors to understand that such intangibles were recorded as part of purchase accounting and contribute to revenue generation. Amortization of intangibles that relate to past acquisitions will recur in future periods until such intangibles have been fully amortized. Any future acquisitions may result in the amortization of additional intangibles.

(j) Represents amortization of non-cash deferred debt issuance costs.

(k) Represents pro forma income tax adjustment effect associated with items adjusted above.

(l) Represents the weighted average number of shares of Class A common stock outstanding (on an as-converted basis assuming conversion of outstanding Post-Merger Repay Units) for the three and six months ended June 30, 2024 and 2023. These numbers do not include any shares issuable upon conversion of our 2026 Notes. See the reconciliation of basic weighted average shares outstanding to the non-GAAP Class A common stock outstanding on an as-converted basis for each respective period below:

	<b>Three Months ended June 30,</b>		<b>Six Months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Weighted average shares of Class A common stock outstanding - basic	91,821,369	89,170,814	91,519,789	88,894,820
Add: Non-controlling interests				
Weighted average Post-Merger Repay Units exchangeable for Class A common stock	5,844,095	7,625,329	5,844,095	7,744,725
<b>Shares of Class A common stock outstanding (on an as-converted basis)</b>	<b>97,665,464</b>	<b>96,796,143</b>	<b>97,363,884</b>	<b>96,639,545</b>

Adjusted EBITDA for the three months ended June 30, 2024 and 2023 was \$33.7 million and \$30.5 million, respectively, representing a 10.5% year-over-year increase. Adjusted EBITDA for the six months ended June 30, 2024 and 2023 was \$69.2 million and \$61.5 million, representing a 12.7% year-over-year increase.

Adjusted Net Income for the three months ended June 30, 2024 and 2023 was \$21.8 million and \$19.5 million, respectively, representing a 11.5% year-over-year increase. Adjusted Net Income for the six months ended June 30, 2024 and 2023 was \$44.1 million and \$38.7 million, respectively, representing a 14.0% year-over-year increase.

Net loss attributable to the Company for the three months ended June 30, 2024 and 2023 was \$4.1 million and \$4.6 million, respectively, representing a 12.3% year-over-year improvement in our profitability. Net loss attributable to

the Company for the six months ended June 30, 2024 and 2023 was \$9.3 million and \$31.0 million, respectively, representing a 70.1% year-over-year improvement in our profitability.

The increases in Adjusted EBITDA and Adjusted Net Income and improvement in net loss attributable to the Company for the three and six months ended June 30, 2024 were primarily due to the organic growth of our business from newly signed clients and the growth of existing clients, and cost savings initiatives that reduced both cost of services and selling, general and administrative expenses as a percentage of revenue.

### Seasonality

We have experienced in the past, and may continue to experience, seasonal fluctuations in our revenues as a result of consumer spending patterns. Revenues during the first quarter of the calendar year tend to increase in comparison to the remaining three quarters of the calendar year. This increase is due to consumers' receipt of tax refunds and the increases in repayment activity levels that follow. Operating expenses show less seasonal fluctuation, with the result that net income is subject to the similar seasonal factors as our revenues.

### Liquidity and Capital Resources

We have historically financed our operations and working capital through net cash from operating activities. As of June 30, 2024, we had \$147.1 million of cash and cash equivalents and available borrowing capacity of \$185.0 million under the Amended Credit Agreement. This balance does not include restricted cash, which reflects cash accounts holding reserves for potential losses and client settlement funds of \$26.9 million as of June 30, 2024. We amended the Amended Credit Agreement in July 2024 to increase the borrowing capacity to \$250.0 million (as described below). Our primary cash needs are to fund working capital requirements, invest in technology development, fund acquisitions and related contingent consideration, make scheduled principal payments and interest payments on our outstanding indebtedness and pay tax distributions to members of Hawk Parent. We expect that our cash flow from operations, current cash and cash equivalents and available borrowing capacity will be sufficient to fund our operations and planned capital expenditures and to service our debt obligations for the next twelve months and the following five years.

We are a holding company with no operations and depend on our subsidiaries for cash to fund all of our consolidated operations, including future dividend payments, if any. We depend on the payment of distributions by our current subsidiaries, including Hawk Parent, which distributions may be restricted by law or contractual agreements, including agreements governing their indebtedness. For a discussion of those considerations and restrictions, refer to Part I, Item 1A "Risk Factors - Risks Related to Our Class A Common Stock" in our Annual Report on Form 10-K for the year ended December 31, 2023.

On May 16, 2022, our board of directors approved a share repurchase program under which we may repurchase up to \$50 million of our outstanding Class A common stock (the "Share Repurchase Program"). The Share Repurchase Program has no expiration date but may be modified, suspended or discontinued at any time at our discretion. As of June 30, 2024, we have \$37.5 million remaining capacity under the Share Repurchase Program. In addition, in July 2024 we used approximately \$40.0 million of proceeds from the offering of 2029 Notes to repurchase approximately 3.9 million shares of Class A common stock.

### Cash Flows

The following table presents a summary of cash flows from operating, investing and financing activities for the periods indicated:

<i>(in \$ thousands)</i>	<b>Six Months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Net cash provided by operating activities	\$ 55,780	\$ 40,784
Net cash (used in) provided by investing activities	(22,820)	16,559
Net cash used in financing activities	(3,069)	(22,985)

#### *Cash Flow from Operating Activities*

Net cash provided by operating activities was \$55.8 million and \$40.8 million for the six months ended June 30, 2024 and 2023, respectively, which reflects net income as adjusted for non-cash operating items including depreciation and amortization, share-based compensation, and changes in working capital accounts.

#### *Cash Flow from Investing Activities*

Net cash used in investing activities was \$22.8 million for the six months ended June 30, 2024, due to the capitalization of software development activities.

Net cash provided by investing activities was \$16.6 million for the six months ended June 30, 2023, due to cash received from the disposition of BCS, partially offset by the capitalization of software development activities.

#### *Cash Flow from Financing Activities*

Net cash used in financing activities was \$3.1 million for the six months ended June 30, 2024, due to the payments for tax withholding related to shares vesting under Incentive Plan and ESPP.

Net cash used in financing activities was \$23.0 million for the six months ended June 30, 2023, due to the repayment of the outstanding revolving credit facility balance, payments for tax withholding related to shares vesting under Incentive Plan and ESPP and the CPS earnout payment.

### ***Indebtedness***

#### *Amended Credit Agreement*

On February 3, 2021, we announced the closing of an undrawn \$125.0 million senior secured revolving credit facility through Truist Bank.

On December 29, 2021, we increased our existing senior secured credit facilities by \$60.0 million to provide for a \$185.0 million revolving credit facility pursuant to an amendment to the Amended Credit Agreement. On February 9, 2023, we further amended the Amended Credit Agreement to replace LIBOR with term SOFR as the interest rate benchmark.

On February 28, 2023, we repaid in full the entire amount of \$20.0 million of the outstanding revolving credit facility. The undrawn capacity of the existing revolving credit facility under the Amended Credit Agreement became \$185.0 million after the repayment.

#### *Second Amended Credit Agreement*

On July 10, 2024, we entered into the Second Amended Credit Agreement with certain financial institutions, as lenders, and Truist Bank, as administrative agent. The Second Amended Credit Agreement amends and restates the Amended Credit Agreement, dated as of February 3, 2021. The Amended Credit Agreement consisted of a senior secured revolving credit facility in the aggregate principal amount of \$185.0 million. The Second Amended Credit Agreement establishes a \$250.0 million senior secured revolving credit facility. This facility matures on the earlier of (a) July 10, 2029, (b) the date that is 91 days prior to the maturity date of the 2026 Notes (subject to certain exceptions for adequate liquidity) and (c) the date that is 91 days prior to the maturity date of the 2029 Notes (subject to certain exceptions for adequate liquidity). The maturity date may be extended, subject to certain terms and conditions.

As of June 30, 2024, the Amended Credit Agreement provided for a revolving credit facility of \$185.0 million. As of June 30, 2024, we had \$0 million drawn against the revolving credit facility. We paid \$0.1 million and \$0.2 million in fees related to unused commitments for the three and six months ended June 30, 2024, respectively. We paid \$0.2 million and \$0.3 million in fees related to unused commitments for the three and six months ended June 30, 2023, respectively.

#### *Convertible Senior Debt*

On January 19, 2021, we issued \$440.0 million in aggregate principal amount of 0.00% Convertible Senior Notes due 2026 in a private placement (the "2026 Notes Offering") to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. \$40.0 million in aggregate principal amount

of such 2026 Notes were sold in the 2026 Notes Offering in connection with the full exercise of the initial purchasers' option to purchase such additional 2026 Notes pursuant to the purchase agreement. Upon conversion, we may choose to pay or deliver cash, shares of our Class A Common Stock, or a combination of cash and shares of our Class A Common Stock. The 2026 Notes will mature on February 1, 2026, unless earlier converted, repurchased or redeemed. On July 8, 2024, we used approximately \$200.0 million of proceeds from the offering of 2029 Notes and approximately \$5.1 million of cash on hand to repurchase \$220.0 million in aggregate principal amount of the 2026 Notes in connection with the 2029 Notes offering.

On July 8, 2024, we issued \$287.5 million aggregate principal amount of 2.875% Convertible Senior Notes due 2029 in a private placement to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. \$27.5 million aggregate principal amount of the 2029 Notes were sold in connection with the full exercise of the initial purchasers' option to purchase such additional 2029 Notes offering pursuant to the purchase agreement. We will settle conversions of the 2029 Notes by paying cash up to the aggregate principal amount of the 2029 Notes to be converted and cash, shares of Class A common stock or a combination of cash and shares, at our election, in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the 2029 Notes being converted. The 2029 Notes bear interest at a fixed rate of 2.875% per year, payable semiannually in arrears on January 15 and July 15 of each year, beginning on January 15, 2025. The 2029 Notes will mature on July 15, 2029, unless earlier repurchased, redeemed, or converted in accordance with their terms.

As of June 30, 2024, we had convertible senior debt outstanding of \$435.6 million, net of deferred issuance costs, under the 2026 Notes. We were in compliance with the related restrictive financial covenants. Additionally, we currently expect that we will remain in compliance with the restrictive financial covenants under the 2026 Notes, the 2029 Notes and the Second Amended Credit Agreement, prospectively.

### **Tax Receivable Agreement**

Upon the completion of the Business Combination, we entered into the TRA with holders of Post-Merger Repay Units. As a result of the TRA, we established a liability in our condensed consolidated financial statements. Such liability, which will increase upon the redemptions or exchanges of Post-Merger Repay Units for our Class A common stock, generally represents 100% of the estimated future tax benefit, if any, relating to the increase in tax basis that will result from redemptions or exchanges of the Post-Merger Repay Units for shares of Class A common stock pursuant to the Exchange Agreement and certain other tax attributes of the Company and tax benefits of entering into the TRA, including tax benefits attributable to payments under the TRA.

Under the terms of the TRA, we may elect to terminate the TRA early but will be required to make an immediate payment equal to the present value of the anticipated future cash tax savings. As a result, the associated liability reported on our condensed consolidated financial statements may be increased. We expect that the payment obligations required under the TRA will be substantial. The actual increase in tax basis, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the timing of redemptions or exchanges by the holders of Post-Merger Repay Units, the price of our Class A common stock at the time of the redemption or exchange, whether such redemptions or exchanges are taxable, the amount and timing of the taxable income we generate in the future, the tax rate then applicable and the portion of our payments under the TRA constituting imputed interest. We expect to fund the payment of the amounts due under the TRA out of the cash savings that we actually realize in respect of the attributes to which TRA relates. However, the payments required to be made could be in excess of the actual tax benefits that we realize and there can be no assurance that we will be able to finance our obligations under the TRA.

### **Critical Accounting Policies and Recently Issued Accounting Pronouncements**

There have been no significant changes to our critical accounting policies and critical accounting estimates for the six months ended June 30, 2024. See Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2023, for a complete discussion of critical accounting policies and critical accounting estimates.

For information related to recent accounting pronouncements and the impact of these pronouncements on our condensed consolidated financial statements, see Note 2. Basis of Presentation and Summary of Significant Accounting Policies, to our Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

#### ***Effects of Inflation***

While inflation may impact our revenues and cost of services, we believe the effects of inflation, if any, on our results of operations and financial condition have not been significant. However, there can be no assurance that our results of operations and financial condition will not be materially impacted by inflation in the future.

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

Interest rates are highly sensitive to many factors, including U.S. fiscal and monetary policies and domestic and international economic and political considerations, as well as other factors beyond our control. Interest rate risk is the exposure to loss resulting from changes in the level of interest rates and the spread between different interest rates. We are exposed to market risk from changes in interest rates on debt, which bears interest at variable rates. Our debt has floating interest rates. We are exposed to changes in the level of interest rates and to changes in the relationship or spread between interest rates for its floating rate debt. Our floating rate debt requires payments based on variable interest rates such as the federal funds rate, prime rate, eurocurrency rate, and SOFR. Therefore, increases in interest rates may reduce our net income or loss by increasing the cost of debt. As of June 30, 2024, we had convertible senior debt of \$435.6 million, net of deferred issuance costs outstanding. As of December 31, 2023, we had convertible senior debt of \$434.2 million, net of deferred issuance costs, outstanding. The borrowings under the Amended Credit Agreement accrue interest at either base rate, described above under “*Liquidity and Capital Resources — Indebtedness*,” plus a margin of 1.50% to 2.50% or at an adjusted SOFR rate plus a margin of 2.50% to 3.50% under the Amended Credit Agreement, in each case depending on the total net leverage ratio, as defined in the Amended Credit Agreement.

We may incur additional borrowings from time to time for general corporate purposes, including working capital and capital expenditures.

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

Invoices for our services are denominated in U.S. dollars and Canadian dollars. We do not expect our future operating results to be significantly affected by foreign currency transaction risk.

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

#### ***Controls and Procedures***

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

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

As of the end of the period covered by this Quarterly Report on Form 10-Q, we conducted an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2024, our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

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

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



## PART II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

From time to time we are named as a defendant in legal actions arising from our normal business activities. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, we do not believe any currently pending legal proceeding to which we are a party will have a material adverse effect on our business, prospects, financial condition, cash flows or results of operations.

#### ITEM 1A. RISK FACTORS

There have been no material changes with respect to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, other than as set forth below.

***Our level of indebtedness could adversely affect our ability to meet our obligations under our indebtedness, react to changes in the economy or our industry and to raise additional capital to fund operations.***

On July 10, 2024, we increased our existing senior secured credit facilities to a \$250.0 million revolving credit facility pursuant to an amendment to the revolving credit agreement with Truist Bank and certain other lenders. On January 19, 2021, we issued \$440.0 million in aggregate principal amount of our 2026 Notes. On July 8, 2024, we repurchased \$220.0 million of the 2026 Notes. Additionally, on July 8, 2024, we issued \$287.5 million in aggregate principal amount of our 2029 Notes. Our ability to service our obligations under our indebtedness, including the 2026 Notes, the 2029 Notes and any indebtedness we may incur under the Second Amended Credit Agreement, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. If we are unable to generate the necessary cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive.

Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations, and such level of indebtedness could have important consequences to our stockholders.

We may also incur future debt obligations that might subject us to additional restrictive covenants that could affect our financial and operational flexibility.

***We may not have the ability to raise the funds necessary to settle conversions of the 2026 Notes or the 2029 Notes, or to repurchase the 2026 Notes or the 2029 Notes upon a fundamental change, and our future debt may contain, limitations on our ability to pay cash upon conversion or repurchase of the 2026 Notes and the 2029 Notes.***

Holders of the 2026 Notes and the 2029 Notes (together “Notes”) have the right to require us to repurchase their Notes upon the occurrence of a fundamental change at a repurchase price equal to 100% of their principal amount, plus accrued and unpaid interest, if any. Upon conversion of the 2026 Notes, unless we elect to cause to be delivered solely shares of our Class A common stock to settle such conversion, we will be required to make cash payments in respect of the 2026 Notes being converted. In addition, upon conversion of the 2029 Notes, we will be required to make cash payments up to the aggregate principal amount of the 2029 Notes being converted and in respect of the remainder, if any, of our conversion obligation, we may elect to make cash payments or deliver shares of our Class A common stock, or a combination, to settle such conversion. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of the Notes surrendered therefor or to pay cash with respect to the Notes being converted.

In addition, our ability to repurchase the Notes or to pay cash upon conversion of the Notes may be limited by law, by regulatory authority or by agreements governing our future indebtedness. Our failure to repurchase the Notes at a time when the repurchase is required by the indenture governing the 2026 Notes and the indenture governing the 2029 Notes (together the “indentures”) or to pay any cash payable on future conversions of the Notes as required by the indentures, would constitute a default under the indentures. A default under the indentures, or the fundamental change itself, could also lead to a default under our Second Amended Credit Agreement and other agreements governing our existing or future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable

notice or grace periods, we may not have sufficient funds to repay the indebtedness, repurchase, make interest payments on or make cash payments upon conversion of the Notes.

***The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.***

In the event the conditional conversion feature of the 2026 Notes is triggered, holders of the 2026 Notes will be entitled to convert their 2026 Notes at any time during specified periods at their option. If one or more holders elect to convert their 2026 Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock, we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their 2026 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2026 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

In the event the conditional conversion feature of the 2029 Notes is triggered, holders of the 2029 Notes will be entitled to convert their 2026 Notes at any time during specified periods at their option. If one or more holders elect to convert their notes, we would be required to settle any converted principal amount of such notes through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

***Provisions in the indentures could delay or prevent an otherwise beneficial takeover of the Company***

Certain provisions of the Notes and the indentures could make a third party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change, then we will be required to make an offer to the holders of the Notes to repurchase for cash all or part of their outstanding Notes. In addition, if a takeover constitutes a make-whole fundamental change, then we may be required to increase the conversion rate temporarily. In either case, and in other cases, our obligations under the Notes could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that you may view as favorable.

***Future issuances or sales of substantial amounts of our Class A common stock in the public market, or the perception that such issuances or sales may occur, could cause the market price for our Class A common stock to decline.***

Hawk Parent has outstanding an aggregate of 5,844,095 Post-Merger Repay Units as of June 30, 2024. Pursuant to the Exchange Agreement, Repay Unitholders have the right to elect to exchange such Post-Merger Repay Units into shares of our Class A common stock on a one-for-one basis, subject to the terms of the Exchange Agreement. However, Hawk Parent may elect to settle such exchange in cash in lieu of delivering shares of our Class A common stock pursuant to the terms of the Exchange Agreement.

In addition, we have reserved a total of 22,226,728 shares of Class A common stock for issuance under our Incentive Plan. To the extent such shares have vested or vest in the future (and settle into shares, in the case of restricted stock units), they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates.

If these stockholders exercise their sale or exchange rights and sell shares or are perceived by the market as intending to sell shares, the market price of our shares of Class A common stock could drop significantly. These factors could also make it more difficult for us to raise additional funds through offerings of our shares of Class A common stock or other securities at a time and at a price that we deem appropriate.

We also have outstanding \$220.0 million aggregate principal amount of our 2026 Notes and \$287.5 million aggregate principal amount of our 2029 Notes which are convertible into shares of our Class A common stock in certain circumstances. Investors will incur further dilution upon the conversion of any of our Notes if we elect to deliver shares of Class A common stock upon such conversion. In the future, we may also issue additional securities in connection with investments, acquisitions or capital raising activities, which could constitute a material portion of our then-outstanding shares of our Class A common stock and may result in additional dilution to investors or adversely impact the price of our Class A common stock.

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

The following table summarizes such purchases of Class A common stock made by us or any “affiliate purchaser” (as defined in Rule 10b-18(a) (3) of the Exchange Act) for the three months ended June 30, 2024:

	<b>Total Number of Shares Purchased <sup>(1)</sup></b>	<b>Average Price Paid per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(2)</sup></b>	<b>Approximate Dollar Value of Shares that May yet be Purchased Under the Plans or Programs</b>
April 1 - 30, 2024	644	\$ —	—	\$ 37,471,576
May 1 - 31, 2024	10,224	9.87	—	—
June 1 - 30, 2024	2,302	10.58	—	—
Total	13,170	\$ 10.02	—	\$ 37,471,576

(1) Reflects 13,170 shares that we withheld pursuant to the Incentive Plan and the ESPP in order to satisfy employees’ tax withholding and payment obligations in connection with the vesting of awards of restricted stock under the Incentive Plan and share purchases under the ESPP, which, in each case, we withheld at fair market value on the applicable vesting date or purchase date.

(2) On May 16, 2022, our board of directors approved the Share Repurchase Program under which we may repurchase up to \$50 million of our outstanding Class A common stock. The Share Repurchase Program has no expiration date but may be modified, suspended or discontinued at any time at our discretion. Repurchases under the Share Repurchase Program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases depending on market conditions and corporate needs.

## ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

None.

## ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, modified or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

### *Second Amended and Restated Bylaws*

On August 2, 2024, our board of directors approved and adopted the Second Amended and Restated Bylaws of the Company (the “Second Amended and Restated Bylaws”) effective as of such date. The Second Amended and Restated Bylaws amend and restate the previously existing bylaws of the Company in their entirety to provide further clarity in respect of the advance notice provisions within the Company’s Second Amended and Restated Bylaws by eliminating the term “acting in concert” and adding standard securities law-based definitions for the terms “affiliates” and “associates”. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the full text of the Second Amended and Restated Bylaws, a copy of which is attached as Exhibit 3.3 hereto and is incorporated by reference herein.

## ITEM 6. EXHIBITS

The exhibits listed in the following exhibit index are furnished as part of this report.

### EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Exhibit Description</b>
3.1	<a href="#"><u>Certificate of Corporate Domestication of Repay Holdings Corporation (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on July 17, 2019).</u></a>
3.2(a)	<a href="#"><u>Certificate of Incorporation of Repay Holdings Corporation (incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed on July 17, 2019).</u></a>
3.2(b)	<a href="#"><u>Amendment to the Certificate of Incorporation of Repay Holdings Corporation (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on June 9, 2022).</u></a>
3.3*	<a href="#"><u>Second Amended and Restated Bylaws of Repay Holdings Corporation.</u></a>
10.1	<a href="#"><u>Second Amended and Restated Repay Holdings Corporation Omnibus Incentive Plan (as Amended and Restated Effective as of May 30, 2024) (incorporated by reference to Annex A to the Company's proxy statement (File No. 001-38531), filed with the SEC on April 19, 2024).</u></a>
31.1*	<a href="#"><u>Certification of Principal Executive Officer of Repay Holdings Corporation pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2*	<a href="#"><u>Certification of Principal Financial Officer of Repay Holdings Corporation pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1*	<a href="#"><u>Certification of Principal Executive Officer of Repay Holdings Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2*	<a href="#"><u>Certification of Principal Financial Officer of Repay Holdings Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101*	The following financial statements from the Company's Form 10-Q for the quarter ended June 30, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Changes In Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Unaudited Condensed Consolidated Financial Statements.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith.

## SIGNATURES

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

REPAY HOLDINGS CORPORATION  
(Registrant)

Date: August 8, 2024

By: /s/ John Morris  
John Morris  
Chief Executive Officer  
(Principal Executive Officer)

Date: August 8, 2024

By: /s/ Timothy J. Murphy  
Timothy J. Murphy  
Chief Financial Officer  
(Principal Financial Officer)

**SECOND AMENDED AND RESTATED BY-LAWS**

**OF**

**REPAY HOLDINGS CORPORATION**

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**ARTICLE I.**

**STOCKHOLDERS**

Section 1. The annual meeting of the stockholders of Repay Holdings Corporation (the "Corporation") for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting shall be held on such date, and at such time and place, if any, within or without the State of Delaware as may be designated from time to time by the Board of Directors of the Corporation (the "Board"). The Corporation may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled.

Section 2. Except as otherwise required by the General Corporation Law of the State of Delaware (the "DGCL") or the certificate of incorporation of the Corporation, and subject to the rights of the holders of any class or series of Preferred Stock (as defined in the certificate of incorporation of the Corporation), special meetings of the stockholders of the Corporation may be called only by or at the direction of the Board, the Chairman of the Board or the Chief Executive Officer of the Corporation.

Section 3. Except as otherwise provided by the DGCL, the certificate of incorporation of the Corporation or these By-Laws, notice of the date, time, place (if any), the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes of the meeting of stockholders shall be given not more than sixty (60), nor less than ten (10), days previous thereto, to each stockholder entitled to vote at the meeting as of the record date for determining stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

Section 4. The holders of a majority in voting power of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided herein, by statute or by the certificate of incorporation of the Corporation; but if at any meeting of stockholders there shall be less than a quorum present, the chairman of the meeting or, by a majority in voting power thereof, the stockholders present may, to the extent permitted by law, adjourn the meeting from time to time without further notice other than announcement at the meeting of the date, time and place, if any, and the means of remote communication, if any, by which stockholders may be deemed present in person and vote at such adjourned meeting, until a quorum shall be present or represented. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required, a majority in voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting. Notice need not be given of any adjourned meeting if the time, date and place, if any, and the means of remote communication, if any, by which stockholders may be deemed present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken or are provided in any manner permitted by the DGCL; provided, however, that if the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date for notice of such adjourned meeting.

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Section 5. The Chairman of the Board, or in the absence of all Chairmen of the Board or at the Chairman of the Board's direction, the Chief Executive Officer, or in the Chief Executive Officer's absence or at the Chief Executive Officer's direction, any officer of the Corporation shall call all meetings of the stockholders to order and shall act as chairman of any such meetings. The Secretary of the Corporation or, in such officer's absence, an Assistant Secretary, shall act as secretary of the meeting. If neither the Secretary nor an Assistant Secretary is present, the chairman of the meeting shall appoint a secretary of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Unless otherwise determined by the Board prior to the meeting, the chairman of the meeting shall determine the order of business and shall have the authority in his or her discretion to regulate the conduct of any such meeting, including, without limitation, convening the meeting and adjourning the meeting (whether or not a quorum is present), announcing the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote, imposing restrictions on the persons (other than stockholders of record of the Corporation or their duly appointed proxies) who may attend any such meeting, establishing procedures for the transaction of business at the meeting (including the dismissal of business not properly presented), maintaining order at the meeting and safety of those present, restricting entry to the meeting after the time fixed for commencement thereof and limiting the circumstances in which any person may make a statement or ask questions at any meeting of stockholders. Unless and to the extent determined by the Board or the chairman over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 6. At all meetings of stockholders, any stockholder entitled to vote thereat shall be entitled to vote in person or by proxy, but no proxy shall be voted after three years from its date, unless such proxy provides for a longer period. Without limiting the manner in which a stockholder may authorize another person or persons to act for the stockholder as proxy pursuant to the DGCL, the following shall constitute a valid means by which a stockholder may grant such authority: (1) a stockholder may execute a writing authorizing another person or persons to act for the stockholder as proxy, and execution of the writing may be accomplished by the stockholder or the stockholder's authorized officer, director, employee or agent signing such writing or causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature; or (2) a stockholder may authorize another person or persons to act for the stockholder as proxy by transmitting or authorizing by means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such means of electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. If it is determined that such electronic transmissions are valid, the inspector or inspectors of stockholder votes or, if there are no such inspectors, such other persons making that determination shall specify the information upon which they relied. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use of the Board of Directors.

A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date.

Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to the preceding paragraphs of this Section 6 may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

Proxies shall be filed with the secretary of the meeting prior to or at the commencement of the meeting to which they relate.

Section 7. When a quorum is present at any meeting, the vote of the holders of a majority of the votes cast shall decide any question brought before such meeting, unless the question is one upon which by express provision of the certificate of incorporation of the Corporation, these By-Laws or the DGCL a different vote is required, in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required and a quorum is present, the affirmative vote

of a majority of the votes cast by shares of such class or series or classes or series shall be the act of such class or series or classes or series, unless the question is one upon which by express provision of the certificate of incorporation of the Corporation, these By-Laws or the DGCL a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 8. (A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

Section 9. At any time when the certificate of incorporation of the Corporation permits action by one or more classes or series of stockholders of the Corporation to be taken by written consent, the provisions of this section shall apply. All consents properly delivered in accordance with the certificate of incorporation of the Corporation and the DGCL shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the Corporation as required by the DGCL, written consents signed by the holders of a sufficient number of shares to take such corporate action are so delivered to the Corporation in accordance with the applicable provisions of the DGCL. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided in the applicable provisions of the DGCL. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof. In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board and prior action by the Board is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.



Section 10. The Corporation shall prepare, no later than the tenth day before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (*provided, however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of ten (10) days ending on the day before the meeting date, either: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation.

Section 11. The Board, in advance of all meetings of the stockholders, may appoint one or more inspectors of stockholder votes, who may be employees or agents of the Corporation or stockholders or their proxies, but who shall not be directors of the Corporation or candidates for election as directors. In the event that the Board fails to so appoint one or more inspectors of stockholder votes or, in the event that one or more inspectors of stockholder votes previously designated by the Board fails to appear or act at the meeting of stockholders, the chairman of the meeting may appoint one or more inspectors of stockholder votes to fill such vacancy or vacancies. Inspectors of stockholder votes appointed to act at any meeting of the stockholders, before entering upon the discharge of their duties, shall take and sign an oath to faithfully execute the duties of inspector of stockholder votes with strict impartiality and according to the best of their ability and the oath so taken shall be subscribed by them. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law.

Section 12. (A) Annual Meetings of Stockholders. (1) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) as provided in the Stockholders Agreements (as defined in the certificate of incorporation of the Corporation), (b) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Article I, Section 3 of these By-Laws, (c) by or at the direction of the Board or any authorized committee thereof or (d) by any stockholder of the Corporation who is entitled to vote on such election or such other business at the meeting, who: (i) has complied with the notice procedures set forth in subparagraphs (2) and (3) of this paragraph (A) of this Section 12, (ii) who was a stockholder of record at the time such notice was delivered to the Secretary of the Corporation and (iii) has complied with the requirements of Regulation 14A under the Exchange Act including, without limitation, any applicable requirements of Rule 14a-19 (as such rules and regulations may be amended from time to time by the Securities and Exchange Commission including any SEC Staff interpretations relating thereto).

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, and, in the case of business other than nominations of persons for election to the Board, such other business must be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days, or delayed by more than seventy (70) days, from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. For purposes of the application of Rule 14a-4(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (or any successor provision), the date for notice specified in this paragraph (A)(2) shall be the earlier of the date calculated as hereinbefore provided or the date specified in paragraph (c)(1) of Rule 14a-4.

Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these By-Laws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books and records, and of such beneficial owner, (ii) the class or series and number of shares of capital stock of the Corporation which are owned directly or indirectly, beneficially and of record by such stockholder and such beneficial owner, (iii) a representation that the stockholder is a holder of record of the stock of the Corporation at the time of the giving of the notice, will be entitled to vote at such meeting and will appear in person or by proxy at the meeting to propose such business or nomination, (iv) a representation whether the stockholder or the beneficial owner, if any, will be or is part of a group which will (A) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (B) otherwise solicit proxies or votes from stockholders in support of such proposal or nomination, (v) a certification regarding whether such stockholder and beneficial owner, if any, have complied with all applicable federal, state and other legal requirements in connection with the stockholder's and/or beneficial owner's acquisition of shares of capital stock or other securities of the Corporation and/or the stockholder's and/or beneficial owner's acts or omissions as a stockholder of the Corporation and (vi) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder; (d) a description of any agreement, arrangement or understanding with respect to the nomination or proposal and/or the voting of shares of any class or series of stock of the Corporation between or among the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal is made, and/or any of their respective affiliates or associates (collectively, "proponent persons"); and (e) a description of any agreement, arrangement or understanding (including without limitation any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument) the intent or effect of which may be (i) to transfer to or from any proponent person, in whole or in part, any of the economic consequences of ownership of any security of the Corporation, (ii) to increase or decrease the voting power of any proponent person with respect to shares of any class or series of stock of the Corporation and/or (iii) to provide any proponent person, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any security of the Corporation. A stockholder providing notice of a proposed nomination for election to the Board or other business proposed to be brought before a meeting (whether given pursuant to this paragraph (A)(2) or paragraph (B) of this Section 12) shall update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct as of the record date for determining the stockholders entitled to notice of the meeting and as of the date that is fifteen (15) days prior to the meeting or any adjournment or postponement thereof, provided that if the record date for determining the stockholders entitled to vote at the meeting is less than fifteen (15) days prior to the meeting or any adjournment or postponement thereof, the information shall be supplemented and updated as of such later date. Any such update and supplement shall be delivered in writing to the Secretary at the principal executive offices of the Corporation not later than five (5) days after the record date for determining the stockholders entitled to notice of the meeting (in the case of any update or supplement required to be made as of the record date for determining the stockholders entitled to notice of the meeting), not later than ten (10) days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update or supplement required to be made as of fifteen (15) days prior to the meeting or any adjournment or postponement thereof) and not later than five (5) days after the record date for determining the stockholders entitled to vote at the meeting, but no later than the date prior to the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of a date less than fifteen (15) days prior the date of the meeting or any adjournment or postponement thereof). The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the

eligibility of such proposed nominee to serve as a director of the Corporation and to determine the independence of such director under the Exchange Act and rules and regulations thereunder and applicable stock exchange rules.

In addition to the requirements set forth in this paragraph (A)(2) of Section 12, unless otherwise required by law, (i) no stockholder shall solicit proxies in support of director nominees other than the Corporation's nominees unless such stockholder has complied with Rule 14a-19 promulgated under the Exchange Act in connection with the solicitation of such proxies in all respects, including but not limited to the minimum solicitation and notice requirements. If any stockholder (1) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act and (2) subsequently fails to comply with the requirements of Rules 14a-19(a)(2) and Rule 14a-19(a)(3) promulgated under the Exchange Act, then the Corporation shall disregard any proxies or votes solicited for the stockholder's candidates. Upon request by the Corporation, if any stockholder provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such stockholder shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) and 14a-19(b).

For purposes of these By-Laws: (i) the term "affiliate" shall have the meaning given to such term in Rule 12b-2 under the Exchange Act and (ii) the term "associate" shall have the meaning given to such term in Rule 12b-2 under the Exchange Act.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 12 to the contrary, in the event that the number of directors to be elected to the Board is increased, effective after the time period for which nominations would otherwise be due under paragraph (A)(2) of this Section 12, and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board made by the Corporation at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 12 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which a public announcement of such increase is first made by the Corporation; provided that, if no such announcement is made at least ten (10) days before the meeting, then no such notice shall be required.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Article I, Section 3 of these By-Laws. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board or a committee thereof or (b) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is entitled to vote on such election at the meeting, who has complied with the notice procedures set forth in this Section 12 and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting if the stockholder's notice as required by paragraph (A)(2) of this Section 12 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting.

(C) General. (1) Only persons who are nominated in accordance with the procedures set forth in this Section 12 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 12. Except as otherwise provided by law, the certificate of incorporation of the Corporation or these By-Laws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 12 and, if any proposed nomination or business is not in compliance with this Section 12, to declare that such defective nomination shall be disregarded or that such proposed business shall not be transacted.

Notwithstanding the foregoing provisions of this Section 12, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 12, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(2) For purposes of this Section 12, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service, in a document publicly filed or furnished by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act or otherwise disseminated in a manner constituting “public disclosure” under Regulation FD promulgated by the Securities and Exchange Commission.

(3) No adjournment or postponement or notice of adjournment or postponement of any meeting shall be deemed to constitute a new notice of such meeting for purposes of this Section 12, and in order for any notification required to be delivered by a stockholder pursuant to this Section 12 to be timely, such notification must be delivered within the periods set forth above with respect to the originally scheduled meeting.

(4) Notwithstanding the foregoing provisions of this Section 12, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 12; provided, however, that, to the fullest extent permitted by law, any references in these By-Laws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 12 (including paragraphs (A)(1)(d) and (B) hereof), and compliance with paragraphs (A)(1)(d) and (B) of this Section 12 shall be the exclusive means for a stockholder to make nominations or submit other business. Nothing in this Section 12 shall apply to the right, if any, of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the certificate of incorporation of the Corporation.

Notwithstanding anything to the contrary contained herein, for as long as the Stockholders Agreements (as defined in the certificate of incorporation of the Corporation) remains in effect with respect to the Stockholder Parties, the Stockholder Parties (to the extent then subject to the applicable Stockholders Agreement) shall not be subject to the notice procedures set forth in paragraphs (A)(2), (A)(3) or (B) of this Section 12 with respect to any annual or special meeting of stockholders.

## ARTICLE II.

### BOARD OF DIRECTORS

Section 1. The Board shall consist, subject to the certificate of incorporation of the Corporation, of such number of directors as shall from time to time be fixed exclusively by resolution adopted by the Board. Directors shall (except as hereinafter provided for the filling of vacancies and newly created directorships and except as otherwise expressly provided in the certificate of incorporation of the Corporation) be elected by the holders of a plurality of the votes cast by the holders of shares present in person or represented by proxy at the meeting and entitled to vote on the election of such directors. A majority of the total number of directors then in office (but not less than one-third of the number of directors constituting the entire Board) shall constitute a quorum for the transaction of business. Except as otherwise provided by law, these By-Laws or by the certificate of incorporation of the Corporation, the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board. Directors need not be stockholders.

Section 2. Subject to the certificate of incorporation of the Corporation and the Stockholders Agreements, unless otherwise required by the DGCL or Article II, Section 4 of these By-Laws, any newly created directorship on the Board that results from an increase in the number of directors and any vacancy occurring in the Board (whether by death, resignation, removal, retirement, disqualification or otherwise) shall be filled only by a majority of the

directors then in office, although less than a quorum, by any authorized committee of the Board or by a sole remaining director.

Section 3. Meetings of the Board shall be held at such place, if any, within or without the State of Delaware as may from time to time be fixed by resolution of the Board or as may be specified in the notice of any meeting. Regular meetings of the Board shall be held at such times as may from time to time be fixed by resolution of the Board and special meetings may be held at any time upon the call of the Chairman of the Board or the Chief Executive Officer, by written notice, including facsimile, e-mail or other means of electronic transmission, duly served on or sent and delivered to each director to such director's address, e-mail address or telephone or telecopy number as shown on the books of the Corporation not less than forty-eight (48) hours before the meeting. The notice of any meeting need not specify the purposes thereof. A meeting of the Board may be held without notice immediately after the annual meeting of stockholders at the same place, if any, at which such meeting is held. Notice need not be given of regular meetings of the Board held at times fixed by resolution of the Board. Notice of any meeting need not be given to any director who shall attend such meeting (except when the director attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened), or who shall waive notice thereof, before or after such meeting, in writing (including by electronic transmission).

Section 4. Notwithstanding the foregoing, whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal, and other features of such directorships shall be governed by the terms of the certificate of incorporation of the Corporation (including any certificate of designation relating to any series of Preferred Stock) applicable thereto. The number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the total number of directors fixed by the Board pursuant to the certificate of incorporation of the Corporation and these By-Laws. Except as otherwise expressly provided in the terms of such series, the number of directors that may be so elected by the holders of any such series of stock shall be elected for terms expiring at the next annual meeting of stockholders, and vacancies among directors so elected by the separate vote of the holders of any such series of Preferred Stock shall be filled by the affirmative vote of a majority of the remaining directors elected by such series, or, if there are no such remaining directors, by the holders of such series in the same manner in which such series initially elected a director.

Section 5. The Board may from time to time establish one or more committees of the Board to serve at the pleasure of the Board, which shall be comprised of such members of the Board and have such duties as the Board shall from time to time determine. Any director may belong to any number of committees of the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Unless otherwise provided in the certificate of incorporation of the Corporation, these By-Laws or the resolution of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and may delegate to a subcommittee any or all of the powers and authority of the committee.

Section 6. Unless otherwise restricted by the certificate of incorporation of the Corporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing (including by electronic transmission), and the writing or writings (including any electronic transmission or transmissions) are filed with the minutes of proceedings of the Board.

Section 7. The members of the Board or any committee thereof may participate in a meeting of such Board or committee, as the case may be, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at such a meeting.

Section 8. The Board may establish policies for the compensation of directors and for the reimbursement of the expenses of directors, in each case, in connection with services provided by directors to the Corporation.

### **ARTICLE III.**

#### **OFFICERS**

Section 1. The Board shall elect officers of the Corporation, including a Chief Executive Officer, a President and a Secretary. The Board may also from time to time elect such other officers as it may deem proper or may delegate to any elected officer of the Corporation the power to appoint and remove any such other officers and to prescribe their respective terms of office, authorities and duties. Any Vice President may be designated Executive, Senior or Corporate, or may be given such other designation or combination of designations as the Board or the Chief Executive Officer may determine. Any two or more offices may be held by the same person. The Board may also elect or appoint a Chairman of the Board, who may or may not also be an officer of the Corporation. The Board may elect or appoint co-Chairmen of the Board, co-Presidents or co-Chief Executive Officers and, in such case, references in these By-Laws to the Chairman of the Board, the President or the Chief Executive Officer shall refer to either such co-Chairman of the Board, co-President or co-Chief Executive Officer, as the case may be.

Section 2. All officers of the Corporation elected by the Board shall hold office for such terms as may be determined by the Board or, except with respect to his or her own office, the Chief Executive Officer, or until their respective successors are chosen and qualified or until his or her earlier resignation or removal. Any officer may be removed from office at any time either with or without cause by the Board, or, in the case of appointed officers, by any elected officer upon whom such power of removal shall have been conferred by the Board.

Section 3. Each of the officers of the Corporation elected by the Board or appointed by an officer in accordance with these By-Laws shall have the powers and duties prescribed by law, by these By-Laws or by the Board and, in the case of appointed officers, the powers and duties prescribed by the appointing officer, and, unless otherwise prescribed by these By-Laws or by the Board or such appointing officer, shall have such further powers and duties as ordinarily pertain to that office.

Section 4. Unless otherwise provided in these By-Laws, in the absence or disability of any officer of the Corporation, the Board or the Chief Executive Officer may, during such period, delegate such officer's powers and duties to any other officer or to any director and the person to whom such powers and duties are delegated shall, for the time being, hold such office.

### **ARTICLE IV.**

#### **INDEMNIFICATION AND ADVANCEMENT OF EXPENSES**

Section 1. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; *provided, however*, that, except as provided in Section 3 of this Article IV with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board.

Section 2. In addition to the right to indemnification conferred in Section 1 of this Article IV, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in appearing at, participating in or defending any such proceeding in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article IV (which shall be governed by Section 3 of this Article IV) (hereinafter an "advancement of expenses"); *provided, however*, that, if (x) the DGCL requires or (y) in the case of an advance made in a proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made solely upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined after final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to indemnification under this Article IV or otherwise.

Section 3. If a claim under Section 1 or 2 of this Article IV is not paid in full by the Corporation within (i) sixty (60) days after a written claim for indemnification has been received by the Corporation or (ii) twenty (20) days after a claim for an advancement of expenses has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by law, if the indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense of the Corporation that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article IV or otherwise shall be on the Corporation.

Section 4. (A) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article IV, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article IV, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such indemnitee's capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(B) Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the indemnitee as a director and/or officer of the Corporation or as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise at the request of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of expenses in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article IV, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Under no circumstance shall the Corporation be entitled to any right of subrogation against or contribution by the indemnitee-related entities and no right of advancement, indemnification

or recovery the indemnitee may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation under this Article IV. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation, and the indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this Section 4(B) of Article IV, entitled to enforce this Section 4(B) of Article IV.

For purposes of this Section 4(B) of Article IV, the following terms shall have the following meanings:

(1) The term “indemnitee-related entities” means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the indemnitee has agreed, on behalf of the Corporation or at the Corporation’s request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom an indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation.

(2) The term “jointly indemnifiable claims” shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the indemnitee shall be entitled to indemnification or advancement of expenses from both the indemnitee-related entities and the Corporation pursuant to applicable law, any agreement, certificate of incorporation, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the indemnitee-related entities, as applicable.

Section 5. The rights conferred upon indemnitees in this Article IV shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee’s heirs, executors and administrators. Any amendment, alteration or repeal of this Article IV that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

Section 6. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 7. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article IV with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

## **ARTICLE V.**

### **CORPORATE BOOKS**

The books of the Corporation may be kept inside or outside of the State of Delaware at such place or places as the Board may from time to time determine.



**ARTICLE VI.**

**CHECKS, NOTES, PROXIES, ETC.**

All checks and drafts on the Corporation's bank accounts and all bills of exchange and promissory notes, and all acceptances, obligations and other instruments for the payment of money, shall be signed by such officer or officers or agent or agents as shall be authorized from time to time by the Board or such officer or officers who may be delegated such authority. Proxies to vote and consents with respect to securities of other corporations or other entities owned by or standing in the name of the Corporation may be executed and delivered from time to time on behalf of the Corporation by the Chairman of the Board, the Chief Executive Officer, or by such officers as the Chairman of the Board, Chief Executive Officer or the Board may from time to time determine.

**ARTICLE VII.**

**FISCAL YEAR**

The fiscal year of the Corporation shall be, unless otherwise determined by resolution of the Board, the calendar year ending on December 31.

**ARTICLE VIII.**

**CORPORATE SEAL**

The corporate seal shall have inscribed thereon the name of the Corporation. In lieu of the corporate seal, when so authorized by the Board or a duly empowered committee thereof, a facsimile thereof may be impressed or affixed or reproduced.

**ARTICLE IX.**

**GENERAL PROVISIONS**

Section 1. Whenever notice is required to be given by law or under any provision of the certificate of incorporation of the Corporation or these By-Laws, notice of any meeting need not be given to any person who shall attend such meeting (except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened), or who shall waive notice thereof, before or after such meeting, in writing (including by electronic transmission).

Section 2. Section headings in these By-Laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 3. In the event that any provision of these By-Laws is or becomes inconsistent with any provision of the certificate of incorporation of the Corporation or the DGCL, the provision of these By-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

**ARTICLE X.**

**AMENDMENTS**

These By-Laws may be made, amended, altered, changed, added to or repealed as set forth in the certificate of incorporation of the Corporation.





**CERTIFICATION PURSUANT TO  
 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
 SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Repay Holdings Corporation (the "Company") on Form 10-Q for the period ending June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Morris, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

By: \_\_\_\_\_ /s/ John Morris  
 John Morris  
 Chief Executive Officer

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Repay Holdings Corporation (the "Company") on Form 10-Q for the period ending June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy J. Murphy, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

By: \_\_\_\_\_  
/s/ Timothy J. Murphy  
Timothy J. Murphy  
Chief Financial Officer

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