UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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, 2023

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: 001-40430

FLYWIRE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware	**27-0690799**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
141 Tremont St #10 Boston, MA	**02111**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (617) 329-4524

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Voting common stock, $0.0001 par value per share	**FLYW**	**The Nasdaq Stock Market LLC (Nasdaq Global Select Market)**

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 3, 2023, the registrant had 110,294,228 shares of voting common stock, $0.0001 par value per share, outstanding and 1,873,320 shares of non-voting common stock $0.0001 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, as well as information included in oral statements or other written statements made or to be made by us, 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, that involve substantial risks and uncertainties. All statements other than statements of historical fact contained in this report, including statements regarding our future results of operations and financial condition, business strategy, and plans and objectives of management for future operations, are forward-looking statements. In some cases, forward-looking statements may be identified by words such as “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “target,” “plan,” “expect,” or the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our future financial performance, including our expectations regarding our revenue, cost and operating expenses, including changes in technology and development, selling and marketing and general and administrative expenses (including any components of the foregoing), gross profit and our ability to achieve, and maintain, future profitability;
- our business plan and our ability to effectively manage our growth;
- our cross-border expansion plans and ability to expand internationally;
- anticipated trends, growth rates, and challenges in our business and in the markets in which we operate;
- the sufficiency of, and ability to access, our cash and cash equivalents to meet our liquidity needs;
- political, economic, foreign currency exchange rate, inflation, banking, legal, social and health risks and public health measures that may affect our business or the global economy;
- beliefs and objectives for future operations;
- our ability to develop and protect our brand;
- our ability to maintain and grow the payment volume that we process;
- our ability to further attract, retain, and expand our client base;
- our ability to develop new solutions and services and bring them to market in a timely manner;
- our expectations concerning relationships with third parties, including financial institutions and strategic partners;
- the effects of increased competition in our markets and our ability to compete effectively;
- future acquisitions or investments in complementary companies, products, services, or technologies;
- our ability to enter new client verticals, including our relatively new business-to-business sector;
- our expectations regarding anticipated technology needs and developments and our ability to address those needs and developments with our solutions;
- our expectations regarding litigation and legal and regulatory matters;
- our expectations regarding our ability to meet existing performance obligations and maintain the operability of our solutions;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to payments and financial services, taxation, privacy and data protection;
- economic and industry trends, projected growth, or trend analysis;
- our ability to adapt to changes in U.S. federal income or other tax laws or the interpretation of tax laws, including the recently enacted Inflation Reduction Act of 2022;
- our ability to attract and retain qualified employees;
- our ability to maintain, protect, and enhance our intellectual property;
- our ability to maintain the security and availability of our solutions;

- the increased expenses associated with being a public company; and
- the future market price of our common stock.

Forward-looking statements are based on our management's beliefs and assumptions and on information currently available. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including risks described in the section titled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. Other sections of this Quarterly Report on Form 10-Q may include additional factors that could harm our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in, or implied by, any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements, events, or circumstances. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report or to conform these statements to actual results or to changes in our expectations. You should read this Quarterly Report on Form 10-Q and the documents that we have filed as exhibits to this report with the understanding that our actual future results, levels of activity, performance, and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

Unless otherwise noted or unless the context provides otherwise, all references in this Quarterly Report on Form 10-Q to our "common stock" refer to our voting common stock.

Investors, the media, and others should note that we intend to announce material information to the public through filings with the Securities and Exchange Commission (SEC), the investor relations page on our website (https://ir.flywire.com), blog posts on our website (www.flywire.com), press releases, public conference calls, webcasts, and social media channels, including our Twitter feed (@flywire) and LinkedIn page (https://www.linkedin.com/company/flywire). The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels. Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website. The contents of the websites provided above are not incorporated into this filing or in any other report or document we file with the SEC. These website addresses are intended to be inactive textual references only.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

FLYWIRE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (Amounts in thousands, except par value per share and share amounts)

	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 328,063	$ 349,177
Restricted cash	—	2,000
Accounts receivable, net	19,284	13,697
Unbilled receivables, net	6,779	5,268
Funds receivable from payment partners	43,321	62,970
Prepaid expenses and other current assets	16,272	17,531
Total current assets	413,719	450,643
Property and equipment, net	14,701	13,317
Intangible assets, net	92,522	97,616
Goodwill	98,967	97,766
Other assets	18,664	14,945
Total assets	$ 638,573	$ 674,287
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 11,658	$ 13,325
Funds payable to clients	81,958	124,305
Accrued expenses and other current liabilities	35,044	34,423
Deferred revenue	2,845	5,223
Total current liabilities	131,505	177,276
Deferred tax liabilities	12,086	12,149
Other liabilities	3,906	2,959
Total liabilities	147,497	192,384
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized as of June 30, 2023 and December 31, 2022; and no shares issued and outstanding as of June 30, 2023 and December 31, 2022	—	—
Voting common stock, $0.0001 par value; 2,000,000,000 shares authorized as of June 30, 2023 and December 31, 2022; 112,229,190 shares issued and 109,911,468 shares outstanding as of June 30, 2023; 109,790,702 shares issued and 107,472,980 shares outstanding as of December 31, 2022	10	10
Non-voting common stock, $0.0001 par value; 10,000,000 shares authorized as of June 30, 2023 and December 31, 2022; 1,873,320 shares issued and outstanding as of June 30, 2023 and December 31, 2022	1	1
Treasury voting common stock, 2,317,722 shares as of June 30, 2023 and December 31, 2022, held at cost	(748)	(748)
Additional paid-in capital	677,343	649,756
Accumulated other comprehensive income (loss)	170	(1,912)
Accumulated deficit	(185,700)	(165,204)
Total stockholders' equity	491,076	481,903
Total liabilities and stockholders' equity	$ 638,573	$ 674,287

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FLYWIRE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited) (Amounts in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	$ 84,869	$ 56,537	$ 179,226	$ 121,090
Costs and operating expenses:				
Payment processing services costs	33,804	21,820	67,659	46,073
Technology and development	16,016	13,204	30,539	24,180
Selling and marketing	27,273	18,887	51,707	36,495
General and administrative	24,584	20,023	52,697	38,843
Total costs and operating expenses	101,677	73,934	202,602	145,591
Loss from operations	$ (16,808)	$ (17,397)	$ (23,376)	$ (24,501)
Other income (expense):				
Interest expense	(78)	(266)	(181)	(484)
Interest income	1,935	184	3,870	184
(Loss) gain from remeasurement of foreign currency	(755)	(5,240)	715	(7,567)
Total other income (expense), net	1,102	(5,322)	4,404	(7,867)
Loss before provision for income taxes	(15,706)	(22,719)	(18,972)	(32,368)
Provision for income taxes	1,107	1,078	1,524	1,578
Net loss	$ (16,813)	$ (23,797)	$ (20,496)	$ (33,946)
Foreign currency translation adjustment	2,449	(45)	2,082	(135)
Comprehensive loss	$ (14,364)	$ (23,842)	$ (18,414)	$ (34,081)
Net loss attributable to common stockholders – basic and diluted	$ (16,813)	$ (23,797)	$ (20,496)	$ (33,946)
Net loss per share attributable to common stockholders – basic and diluted	$ (0.15)	$ (0.22)	$ (0.19)	$ (0.32)
Weighted average common shares outstanding – basic and diluted	111,133,221	107,426,898	110,464,092	107,085,233

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FLYWIRE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited) (Amounts in thousands, except share amounts)

Three Months Ended June 30, 2023

	Voting Common Stock		Non-Voting Common Stock		Treasury Voting Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances at March 31, 2023	111,042,997	$ 10	1,873,320	$ 1	(2,317,722)	$ (748)	$ 662,067	$ (2,279)	$ (168,887)	$ 490,164
Issuance of common stock upon exercise of stock options	942,945	—	—	—	—	—	3,900	—	—	3,900
Issuance of common stock upon settlement of restricted stock units	243,248	—	—	—	—	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	2,449	—	2,449
Stock-based compensation expense	—	—	—	—	—	—	11,376	—	—	11,376
Net loss	—	—	—	—	—	—	—	—	(16,813)	(16,813)
Balances at June 30, 2023	112,229,190	$ 10	1,873,320	$ 1	(2,317,722)	$ (748)	$ 677,343	$ 170	$ (185,700)	$ 491,076

Three Months Ended June 30, 2022

	Voting Common Stock		Non-Voting Common Stock		Treasury Voting Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances at March 31, 2022	103,409,781	$ 10	5,988,378	$ 1	(2,317,722)	$ (748)	$ 615,349	$ (489)	$ (136,006)	$ 478,117
Issuance of common stock upon exercise of stock options, net of shares withheld	788,407	—	—	—	—	—	(175)	—	—	(175)
Issuance of common stock upon settlement of restricted stock units	32,758	—	—	—	—	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	(45)	—	(45)
Stock-based compensation expense	—	—	—	—	—	—	8,437	—	—	8,437
Net loss	—	—	—	—	—	—	—	—	(23,797)	(23,797)
Balances at June 30, 2022	104,230,946	$ 10	5,988,378	$ 1	(2,317,722)	$ (748)	$ 623,611	$ (534)	$ (159,803)	$ 462,537

Six Months Ended June 30, 2023

	Voting Common Stock		Non-Voting Common Stock		Treasury Voting Common Stock		Additional Paid-In	Accumulated Other Comprehensive Income	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	(Loss)	Deficit	Equity
Balances at December 31, 2022	109,790,702	$ 10	1,873,320	$ 1	(2,317,722)	$ (748)	$ 649,756	$ (1,912)	$ (165,204)	$ 481,903
Issuance of common stock upon exercise of stock options	1,533,199	—	—	—	—	—	6,044	—	—	6,044
Issuance of common stock upon settlement of restricted stock units	821,725	—	—	—	—	—	—	—	—	—
Issuance of common stock under employee stock purchase plan	55,232	—	—	—	—	—	864	—	—	864
Issuance of common stock for retention bonus	28,332	—	—	—	—	—	700	—	—	700
Foreign currency translation adjustment	—	—	—	—	—	—	—	2,082	—	2,082
Stock-based compensation expense	—	—	—	—	—	—	19,979	—	—	19,979
Net loss	—	—	—	—	—	—	—	—	(20,496)	(20,496)
Balances at June 30, 2023	112,229,190	$ 10	1,873,320	$ 1	(2,317,722)	$ (748)	$ 677,343	$ 170	$ (185,700)	$ 491,076

Six Months Ended June 30, 2022

	Voting Common Stock		Non-Voting Common Stock		Treasury Voting Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Equity
Balances at December 31, 2021	102,771,899	$ 10	5,988,378	$ 1	(2,317,722)	$ (748)	$ 609,194	$ (399)	$ (125,857)	$ 482,201
Issuance of common stock upon exercise of stock options, net of shares withheld	1,405,685	—	—	—	—	—	485	—	—	485
Issuance of common stock upon settlement of restricted stock units	53,362	—	—	—	—	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	(135)	—	(135)
Stock-based compensation expense	—	—	—	—	—	—	13,932	—	—	13,932
Net loss	—	—	—	—	—	—	—	—	(33,946)	(33,946)
Balances at June 30, 2022	104,230,946	$ 10	5,988,378	$ 1	(2,317,722)	$ (748)	$ 623,611	$ (534)	$ (159,803)	$ 462,537

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FLYWIRE CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (Amounts in thousands)

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net loss	$ (20,496)	$ (33,946)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,876	5,784
Stock-based compensation expense	19,979	13,932
Amortization of deferred contract costs	228	161
Change in fair value of contingent consideration	410	(950)
Deferred tax benefit	(584)	(101)
Provision for uncollectible accounts	599	73
Non-cash interest expense	144	158
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(6,186)	(3,709)
Unbilled receivables	(1,511)	(620)
Funds receivable from payment partners	19,649	8,104
Prepaid expenses, other current assets and other assets	(1,030)	(3,677)
Funds payable to clients	(42,347)	(8,988)
Accounts payable, accrued expenses and other current liabilities	1,121	1,333
Contingent consideration	(467)	(4,524)
Other liabilities	(574)	(764)
Deferred revenue	(2,463)	143
Net cash used in operating activities	(25,652)	(27,591)
Cash flows from investing activities:		
Capitalization of internally developed software	(2,812)	(2,888)
Purchases of property and equipment	(671)	(745)
Net cash used in investing activities	(3,483)	(3,633)
Cash flows from financing activities:		
Contingent consideration paid for acquisitions	(1,207)	(3,320)
Payments of tax withholdings for net settled stock option exercises	—	(756)
Proceeds from the issuance of stock under Employee Stock Purchase Plan	864	—
Proceeds from exercise of stock options	6,044	2,293
Net cash provided by (used in) financing activities	5,701	(1,783)
Effect of exchange rates changes on cash and cash equivalents	320	6,231
Net decrease in cash, cash equivalents and restricted cash	(23,114)	(26,776)
Cash, cash equivalents and restricted cash, beginning of period	$ 351,177	$ 389,360
Cash, cash equivalents and restricted cash, end of period	$ 328,063	$ 362,584

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FLYWIRE CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (Amounts in thousands)

	Six Months Ended June 30,	
	2023	2022
Supplemental disclosures of cash flow and noncash information		
Cash paid during the period for interest	—	302
Purchase of property and equipment in accounts payable	39	341
Issuance of common stock upon settlement of restricted stock units	22,490	—
Issuance of common stock for retention bonus	700	—
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	$ 328,063	$ 360,584
Restricted cash	—	2,000
Cash, cash equivalents and restricted cash	$ 328,063	$ 362,584

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FLYWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Business Overview and Summary of Significant Accounting Policies

Flywire Corporation (Flywire or the Company) was incorporated under the laws of the State of Delaware in July 2009 as peerTransfer Corporation. In 2016, the Company changed its name to Flywire Corporation. The Company is headquartered in Boston, Massachusetts and has a global footprint in 14 countries across 5 continents.

Flywire provides a secure global payments platform, offering its clients an innovative and streamlined process to receive reconciled domestic and international payments in a more cost effective and efficient manner. The Company’s solutions are built on three core elements: (i) a next-gen payments platform, (ii) a proprietary global payment network, and (iii) vertical-specific software backed by its deep industry expertise.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) and applicable rules and regulations of the Securities and Exchange Commission (SEC) regarding interim financial reporting. The interim unaudited condensed consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company’s financial position, results of operations, comprehensive loss, changes in stockholders’ equity, and its cash flows for the periods presented.

The results of operations for the three and six months ended June 30, 2023, are not necessarily indicative of results to be expected for the year ended December 31, 2023, any other interim periods or any future year or period. The accompanying consolidated balance sheet as of December 31, 2022 was derived from the Company’s audited consolidated financial statements for the year ended December 31, 2022. Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with GAAP have been condensed or omitted from the interim unaudited condensed consolidated financial statements.

Beginning with the quarter ended June 30, 2023, we included Contingent consideration and Contingent consideration, net of current portion within Accrued expenses and other current liabilities and Other liabilities, respectively, in the Company's condensed consolidated balance sheet. Accrued expenses and other current liabilities and Other liabilities for the year ended December 31, 2022 were recast to conform to the updated presentation.

These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

The condensed consolidated financial statements include the accounts of Flywire and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation.

Segment Information

The Company has a single operating and reportable segment. The Company’s chief operating decision maker is its Chief Executive Officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance and allocating resources. See *Note 2 - Revenue and Recognition* for information regarding the Company's revenue by geographic area.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the condensed consolidated financial statements and the accompanying notes. Significant estimates and assumptions reflected in these financial statements include, but are not limited to, the valuation of certain stock-based compensation awards, the valuation of contingent consideration, the valuation of acquired intangible assets and their useful lives, the estimate of credit losses on accounts receivable and unbilled receivables, the impairment assessment of goodwill, intangibles and other long-lived assets and

the incremental borrowing rates for operating leases. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, the Company evaluates its estimates as there are changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results may differ from those estimates or assumptions.

Impact of the Conflict between Russia and Ukraine

The Company does not have any operations, including long-lived assets, in Ukraine or Russia. As of the issuance date of these condensed consolidated financial statements, the current conflict between Russia and Ukraine has not had a material impact on the Company's revenue, results of operations or financial position. However, the Company notes Ukraine is a major engineering hub and the conflict may create a global challenge in outsourcing or hiring engineering talent. In addition, a prolonged conflict or the spill-over of war into other European countries may in the future have an impact on macroeconomic conditions which could significantly impact the verticals in which the Company has been predominantly focused over the last decade. The Company's payment volumes, sales cycles and time to implementation could be negatively affected and consequently, the Company's revenue or results of operations or financial position could be adversely impacted as well.

Impact of Inflation

Inflation did not have a material effect on the Company's cash flows and results of operations during the three and six months ended June 30, 2023.

Concentrations of Credit Risk, Financial Instruments and Significant Clients

Financial instruments that potentially subject the Company to concentration of credit risk consists principally of cash, cash equivalents, accounts receivable, unbilled receivables and funds receivable from payment partners.

The Company maintains its cash and cash equivalents with financial institutions that management believes are of high credit quality. The Company's cash and cash equivalents deposited with these financial institutions exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit of $250,000. As part of its cash management process, the Company performs periodic reviews of the credit standing of the financial institutions holding its cash and cash equivalents.

To manage credit risk related to accounts receivable and unbilled receivables, the Company maintains an allowance for credit losses. The allowance is determined by applying a loss-rate method based on an aging schedule using the Company's historical loss rate. The Company also considers reasonable and supportable current and forecasted information in determining its estimated loss rates, such as external forecasts, macroeconomic trends, or other factors that are associated with the credit quality of the Company's customer base. The Company did not experience any material credit losses for the three and six months ended June 30, 2023.

Accounts receivable are derived from revenue earned from clients located in the U.S. and internationally. Significant clients are those that represent 10% or more of accounts receivable, net as set forth in the following table:

	June 30, 2023	December 31, 2022
Client A	19%	13%
Client B	*	13%

* Less than 10% of total balance.

In May 2023, Client A filed for voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code (Chapter 11). As of June 30, 2023, the Company had $3.8 million recorded within accounts receivable, net of allowance. Client A may take actions in its Chapter 11 proceeding to terminate or renegotiate its agreements with the Company and/or seek to reduce the Company's claims for services to which it may be entitled. As of June 30, 2023, the Company expected Client A to exit Chapter 11 and continue as a going concern and client of Flywire.

Funds receivable from payment partners consist primarily of cash held by the Company’s global payment processing partners that have not yet been remitted to the Company. Significant partners are those that represent 10% or more of funds receivable from payment partners as set forth in the following table:

	June 30, 2023	December 31, 2022
Partner A	*	12 %
Partner B	*	16 %
Partner C	12 %	17 %
Partner D	26 %	15 %

* Less than 10% of total balance.

During the three and six months ended June 30, 2023 and 2022, no clients accounted for 10% or more of revenue.

During the three months ended June 30, 2023, revenue from clients located in the United States and Canada (Americas), Europe, the Middle East and Africa (EMEA) and the Asia and Pacific region (APAC) in the aggregate accounted for 51.0%, 33.6% and 15.4% of the Company’s total revenues, respectively. During the three months ended June 30, 2022, revenue from clients located in Americas, EMEA and APAC in the aggregate accounted for 67.3%, 27.5% and 5.2% of the Company’s total revenues, respectively.

During the six months ended June 30, 2023, revenue from clients located in Americas, EMEA and APAC in the aggregate accounted for 57.7%, 28.0% and 14.3% of the Company’s total revenues, respectively. During the six months ended June 30, 2022, revenue from clients located in Americas, EMEA and APAC in the aggregate accounted for 71.6%, 23.2% and 5.2% of the Company’s total revenues, respectively.

Summary of Significant Accounting Policies

The Company’s significant accounting policies are discussed in *Note 1 - Business Overview and Summary of Significant Accounting Policies* in the notes to the audited consolidated financial statements in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes to these policies during the three and six months ended June 30, 2023.

Advertising Costs

Advertising costs are expensed as incurred and are included in selling and marketing expenses in the condensed consolidated statements of operations and comprehensive loss. Advertising expenses for the three months ended June 30, 2023 and 2022 were $2.0 million and $1.7 million, respectively. Advertising expenses for the six months ended June 30, 2023 and 2022 were $3.1 million and $2.9 million, respectively.

Recently Adopted Accounting Pronouncements

The following accounting standards update (ASU) was issued by the Financial Accounting Standards Board (FASB) and adopted by Flywire as of June 30, 2023:

ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting:* ASU 202-04 provides optional guidance to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting in response to concerns about structural risks of the cessation of London Interbank Offered Rate (LIBOR). It also provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. ASU 2020-04 applies only to contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. The adoption of this standard did not have a material impact on Flywire's consolidated financial statements. Refer to *Note 10 - Debt* for additional details on the transition from the LIBOR benchmark rate to the Secured Overnight Financing Rate (SOFR) benchmark rate.

Accounting Pronouncements Not Yet Adopted

As of June 30, 2023, there are no new accounting pronouncements recently issued by the FASB but not yet adopted by Flywire which would be expected to have a material impact on the Company's consolidated financial statements and disclosures.

Note 2. Revenue and Recognition

The following table presents revenue disaggregated by geographical area and major solutions. The categorization of revenue by geographical location is determined based on the location of where the client resides.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Primary geographical markets				
Americas	$ 43,296	$ 38,030	$ 103,461	$ 86,744
EMEA	28,534	15,538	50,195	28,108
APAC	13,039	2,969	25,570	6,238
Total revenue	**$ 84,869**	**$ 56,537**	**$ 179,226**	**$ 121,090**
Major solutions				
Transactions	$ 66,847	$ 41,659	$ 143,149	$ 90,346
Platform and usage-based fees	18,022	14,878	36,077	30,744
Total revenue	**$ 84,869**	**$ 56,537**	**$ 179,226**	**$ 121,090**

Contract Balances from Contracts with Clients

The following table provides information about accounts receivable, unbilled receivables and deferred revenue from contracts with clients (in thousands):

	June 30, 2023	December 31, 2022
Accounts receivable, net of allowance	$ 19,284	$ 13,697
Unbilled receivables	6,779	5,268
Deferred revenue – current	2,845	5,223
Deferred revenue – non-current	46	131

For the three months ended June 30, 2023 and 2022, the Company recognized $1.5 million and $1.6 million, respectively, of revenue from amounts that were included in deferred revenue as of March 31, 2023 and 2022. For the six months ended June 30, 2023 and 2022, the Company recognized $3.7 million and $3.6 million, respectively, of revenue from amounts that were included in deferred revenue as of December 31, 2022 and 2021.

Note 3. Allowance for Credit Losses

The Company maintains an allowance for credit losses for accounts receivable and unbilled receivables. Changes in the allowance for credit losses for the three and six months ended June 30, 2023 and 2022 were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Allowance for credit losses at the beginning of the period	$ (297)	$ (101)	$ (212)	$ (106)
Provision for expected credit losses	(516)	(53)	(599)	(73)
Write-offs, net of recoveries	(2)	5	(4)	30
Allowance for credit losses at the end of the period	$ (815)	$ (149)	$ (815)	$ (149)

Note 4. Fair Value Measurements

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in an orderly transaction between market

participants on the measurement date in the principal or most advantageous market for the asset or liability. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company's cash equivalents are carried at fair value (Level 1) as determined according to the fair value hierarchy described above. The Company's cash equivalents include money market funds, which are measured at fair value using the net asset value (NAV) per share practical expedient. The money market funds, which are AAA-rated are comprised of liquid, high-quality debt securities issued by the U.S. government. Shares in money market funds are purchased and redeemed at the NAV at the time of the purchase or sale, which may be purchased or redeemed on demand, as may be required by the Company. The carrying values of accounts receivable, funds receivable from payment partners, unbilled receivables, prepaid expenses, accounts payable, funds payable to clients and accrued expenses and other current liabilities approximate their respective fair values due to the short-term nature of these assets and liabilities. The Company's contingent consideration is carried at fair value, determined using Level 3 inputs in the fair value hierarchy.

The following tables present the Company's fair value hierarchy for its financial assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2023 and December 31, 2022 (in thousands):

	Measured at NAV as of June 30, 2023:	Measured at Fair Value as of June 30, 2023:			
		Level 1	Level 2	Level 3	Total
Financial Assets:					
Cash equivalents:					
Money market funds	$ 90,844	$ —	$ —	$ —	$ 90,844
Foreign exchange contracts	—	—	—	18	18
	$ 90,844	$ —	$ —	$ 18	$ 90,862
Financial Liabilities:					
Contingent consideration	$ —	$ —	$ —	$ 42	$ 42
	$ —	$ —	$ —	$ 42	$ 42

	Measured at NAV as of December 31, 2022:	Measured at Fair Value as of December 31, 2022:			
		Level 1	Level 2	Level 3	Total
Financial Assets:					
Cash equivalents:					
Money market funds	$ 9,145	$ —	$ —	$ —	$ 9,145
	$ 9,145	$ —	$ —	$ —	$ 9,145
Financial Liabilities:					
Foreign exchange contracts	$ —	$ —	$ —	$ 133	$ 133
Contingent consideration	—	—	—	1,332	1,332
	$ —	$ —	$ —	$ 1,465	$ 1,465

During the six months ended June 30, 2023 and year ended December 31, 2022, there were no transfers between Level 1, Level 2 or Level 3.

Contingent consideration

Cohort Solutions Pty Ltd. (Cohort Go)

During March 2023, the Company made a payment of contingent consideration of $1.7 million, in the form of cash, based on Cohort Go's successful and timely achievement of the contracted milestones. No additional contingent consideration is due or payable with respect to the Cohort Go acquisition. Refer to *Note 8 - Business Combinations* for additional details on the Cohort Go acquisition.

The fair value of the contingent consideration related to the Cohort Go acquisition was determined using a scenario-based method. The following table presents the unobservable inputs incorporated into the valuation of contingent consideration as of December 31, 2022.

	December 31, 2022
Discount rate	11.2 %
Probability of successful achievement *	75% - 100%

* Probability of successful achievement was set at different targets based on the Company's best estimates on achieving them.

Increases or decreases in any of the probabilities of success in which the specific post-acquisition milestones were expected to be achieved would result in a higher or lower fair value measurement, respectively. Increases or decreases in the discount rate would result in a lower or higher fair value measurement, respectively.

WPM Group Ltd. (WPM)

Pursuant to the terms of the business combination agreement, contingent consideration is potentially payable at various intervals through March 2024 in the form of cash or up to approximately 225,000 shares of common stock, at Flywire's option, and is dependent upon the Company's achievement of specified minimum payment volume targets and integration targets. The first payment volume target was based on a period of fifteen months from January 1, 2022 to March 31, 2023 and the second payment volume target is based on a period of twelve months from April 1, 2023 to March 31, 2024. Integration targets were established through a period ending April 1, 2022. As of June 30, 2023, the Company expects a potential contingent consideration payment of less than $0.1 million will be payable with respect to the WPM acquisition. Refer to *Note 8 - Business Combinations* for additional details on the WPM acquisition.

The fair value of the contingent consideration related to the payment volume targets was determined using an option pricing model and the fair value of the contingent consideration related to the integration targets was determined using a scenario-based method. The following table presents the unobservable inputs incorporated into the valuation of contingent consideration related to the WPM acquisition as of December 31, 2022.

	December 31, 2022
Market price of risk adjustment for revenue	6.7 %
Revenue volatility	22.7 %
Probability of successful achievement*	0% - 100%
Performance period	1.25 years

* Probability of successful achievement was set at different targets based on the Company's best estimates on achieving them.

Increases or decreases in expectations regarding the level at which payment volumes are expected to be achieved would result in a higher or lower fair value measurement, respectively. Increases or decreases in the market price of risk adjustment of revenue would result in a decrease or increase in the fair value measurement, respectively. Increases or decreases in the revenue volatility would result in a decrease or increase in the fair value measurement, respectively.

Changes in the fair value of contingent consideration are included as a component of general and administrative expense within the condensed consolidated statements of operations and comprehensive loss. Contingent consideration ending balance consists of a potential contingent consideration payment of less than $0.1 million with respect to the WPM

acquisition. The following table summarizes the changes in the carrying value of the contingent consideration for the three and six months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Beginning balance	$ 41	$ 3,300	$ 1,332	$ 11,309
Additions	—	—	2	—
Change in fair value	—	(880)	410	(950)
Contingent consideration paid *	—	—	(1,674)	(7,844)
Foreign currency translation adjustment	1	(216)	(28)	(311)
Ending balance	$ 42	$ 2,204	$ 42	$ 2,204

* For the six months ended June 30, 2023 and 2022, contingent consideration paid has been bifurcated between the financing and operating sections of the condensed consolidated statement of cash flows. Amounts paid up to the fair value initially recorded in purchase accounting is reported in the financing section of the condensed consolidated statement of cash flows, while any excess is reported in the operating section of the condensed consolidated statement of cash flows.

Note 5. Derivative Instruments

As part of the Company's foreign currency risk management program, the Company uses foreign currency forward contracts to mitigate the volatility related to fluctuations in the foreign exchange rates. These foreign currency forward contracts are not designated as hedging instruments. Derivative transactions such as foreign currency forward contracts are measured in terms of the notional amount; however, this amount is not recorded on the consolidated balance sheets and is not, when viewed in isolation, a meaningful measure of the risk profile of the derivative instruments. The notional amount is generally not exchanged but is used only as the underlying basis on which the value of foreign exchange payments under these contracts is determined. As of June 30, 2023 and December 31, 2022, the Company had 8,156 and 11,816 open foreign exchange contracts, respectively. As of June 30, 2023 and December 31, 2022, the Company had foreign currency forward contracts outstanding with a notional amount of $35.3 million and $54.7 million, respectively.

The Company records all derivative instruments in the condensed consolidated balance sheets at their fair values. For the six months ended June 30, 2023, the Company recorded an asset of less than $0.1 million and for the year ended December 31, 2022, the Company recorded a liability of $0.1 million related to outstanding foreign exchange contracts. The Company recognized a gain of $0.3 million and a loss of $1.0 million during the three and six months ended June 30, 2023, respectively. The Company recognized a loss of $0.3 million and $0.6 million during the three and six months ended June 30, 2022, respectively. Gains and losses are included as a component of general and administrative expense within the condensed consolidated statements of operations and comprehensive loss.

Note 6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following as of the dates presented (in thousands):

	June 30, 2023	December 31, 2022
Accrued employee compensation and related taxes	$ 17,640	$ 16,944
Accrued vendor liabilities	3,589	3,104
Accrued income and other non-employee related taxes	4,916	5,001
Accrued professional services	2,182	1,723
Current portion of operating lease liabilities	1,292	1,807
Other accrued expenses and current liabilities	5,425	5,844
	$ 35,044	$ 34,423

Note 7. Property and Equipment, net

Property and equipment, net consisted of the following as of the dates presented (in thousands):

	June 30, 2023	December 31, 2022
Computer equipment and software	$ 3,305	$ 3,195
Internal-use software	15,943	13,131
Furniture and fixtures	889	892
Leasehold improvements	5,366	4,704
Construction in progress	—	291
	25,503	22,213
Less: Accumulated depreciation and amortization*	(10,802)	(8,896)
	$ 14,701	$ 13,317

* For the six months ended June 30, 2023, accumulated depreciation and amortization expense included $93 thousand of computer disposals and $99 thousand of foreign currency translation adjustments. For the six months ended June 30, 2022, accumulated depreciation and amortization expense included $2 thousand of computer disposals and $102 thousand of foreign currency translation adjustments.

Depreciation and amortization expense for the three months ended June 30, 2023 and 2022 was $1.2 million and $0.8 million, respectively. Depreciation and amortization expense for the six months ended June 30, 2023 and 2022 was $2.1 million and $1.5 million, respectively.

The Company capitalized $2.8 million and $5.7 million in costs related to internal-use software during the six months ended June 30, 2023 and the year ended December 31, 2022, respectively. Software developed for internal use is amortized on a straight-line basis over its estimated useful life of five years.

As of June 30, 2023 and December 31, 2022, the carrying value of internal-use software was $12.1 million and $10.6 million, respectively. Amortization expense related to internal-use software for the three months ended June 30, 2023 and 2022 was $0.8 million and $0.3 million, respectively. Amortization expense related to internal-use software for the six months ended June 30, 2023 and 2022 was $1.3 million and $0.7 million, respectively.

Note 8. Business Combinations

Cohort Go

On July 13, 2022, Flywire acquired all of the issued and outstanding shares of Cohort Go, an Australian-based education payments provider that simplifies the student recruitment process by bringing together students, agents and essential student services such as health insurance into one platform. The acquisition of Cohort Go contributed to the Company's global expansion and accelerated the growth of Flywire's agent related revenue, in which Flywire partners with agents who refer students to the Company. The agent related revenue is reported as transaction revenue for Flywire, while the health insurance related revenue is reported as platform revenue. The acquisition of Cohort Go has been accounted for as a business combination.

During the fourth quarter of 2022, the cash consideration, net of cash acquired and the purchase price allocation was adjusted to reflect a working capital true-up and a change to the deferred tax liability, which was due to additional tax basis associated with the acquired technology intangible asset. This resulted in a $0.2 million increase in the cash consideration, net of cash acquired, a $1.4 million decrease to deferred tax liability and a $1.2 million decrease to goodwill from the quarter ended September 30, 2022 to the year ended December 31, 2022. The adjusted purchase price allocation is reflected in the consolidated balance sheet as of December 31, 2022 and purchase price allocation below.

Pursuant to the terms of the business combination agreement, the Company acquired Cohort Go for estimated total purchase consideration of $33.0 million or $23.1 million, net of cash acquired, which consisted of (in thousands):

Cash consideration, net of cash acquired	$ 17,140
Estimated fair value of shares of common stock	4,287
Estimated fair value of contingent consideration	1,695
Total purchase consideration, net of cash acquired	$ 23,122

Contingent consideration, which totaled up to $1.7 million represented additional payments that Flywire was required to make which was dependent upon Cohort Go's achievement of specific post-acquisition milestones and was subject to exchange rate fluctuation adjustment between the U.S. Dollar and Australian Dollar. During March 2023, the Company made a payment of contingent consideration of $1.7 million, in the form of cash, based on Cohort Go's successful and timely achievement of the contracted milestones. No additional contingent consideration is due or payable with respect to the Cohort Go acquisition.

The table summarizes the allocation of the purchase consideration to the assets acquired and liabilities assumed (in thousands):

Cash	$ 9,880
Accounts receivable	558
Funds receivable from payment partners	3,767
Prepaid expenses and other current assets	314
Other assets	494
Goodwill	16,197
Identifiable intangible assets	16,408
Total assets acquired	47,618
Deferred tax liabilities	5,012
Deferred revenue	264
Funds payable to clients	4,071
Accounts payable	1,740
Accrued expenses and other current liabilities	3,529
Total liabilities assumed	14,616
Net assets acquired	33,002
Less: cash acquired	9,880
Net assets, less cash acquired	$ 23,122

Goodwill arising from the acquisition of $16.2 million was attributable to the assembled workforce of Cohort Go and the synergies expected to arise from the acquisition. The Company expects that no goodwill from this acquisition will be deductible for income tax purposes.

The following table reflects the estimated fair values of the identified intangible assets of Cohort Go and their respective weighted-average estimated amortization periods.

	Estimated Fair Values	Weighted-Average Amortization Periods
	(in thousands)	(years)
Developed technology	$ 5,356	7
Agent and customer relationships	11,052	13
	$ 16,408	

The results of Cohort Go have been included in the consolidated financial statements since the date of the acquisition. Cohort Go contributed $4.3 million in transaction revenue and $3.0 million in platform revenue during the three months ended June 30, 2023, respectively, and $7.8 million in transaction revenue and $5.5 million in platform revenue during the six months ended June 30, 2023, respectively. The Company has not disclosed net income or loss since the acquisition date as the business was fully integrated into the consolidated Company’s operations and therefore it was impracticable to determine this amount.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information shows the results of the Company’s operations for the three and six months ended June 30, 2022 as if the acquisition had occurred on January 1, 2021. The unaudited pro forma financial information is presented for information purposes only and is not necessarily indicative of what would have occurred if the acquisition had occurred as of that date. The unaudited pro forma information is also not intended to be a projection of future results due to the integration of the acquired operations of Cohort Go. The unaudited pro forma information reflects the effects of applying the Company’s accounting policies and a pro forma adjustment to the combined historical financial information of the Company and Cohort Go, which includes incremental amortization expense associated with the estimated fair value of identified intangible assets.

	Three Months Ended June 30, 2022		Six Months Ended June 30, 2022	
	Actual	Pro Forma	Actual	Pro Forma
	(in thousands)			
Revenue	$ 56,537	$ 61,438	$ 121,090	$ 130,091
Net Loss	$ (23,797)	$ (22,528)	$ (33,946)	$ (32,230)

WPM

On December 14, 2021, Flywire completed its acquisition of WPM, a leading software provider that enables seamless and secure receivables payment experiences for universities and colleges across the U.K. The acquisition of WPM was intended to build on Flywire's existing education payments business and to further accelerate the Company's market share in the U.K. education sector. The acquisition of WPM was accounted for as a business combination.

Pursuant to the terms of the business combination agreement, the Company acquired all outstanding equity of WPM for estimated total purchase consideration of $59.6 million, which consisted of $56.1 million in cash, net of cash acquired and $3.5 million in estimated fair value of contingent consideration dependent upon the Company's achievement of specified minimum payment volume targets and integration targets. Certain amounts were also tied to continued employment of key employees. The Company expensed $0.6 million and $0.9 million in personnel costs associated with retention of key employees during the three and six months ended June 30, 2023, respectively. A portion of which has been paid through shares of Flywire common stock in the first half of 2023, with the remainder to be paid through shares of Flywire common stock in the second half of 2023.

Note 9. Goodwill and Acquired Intangible Assets

Goodwill

The following table summarizes the changes in the carrying amount of goodwill as of the dates presented (in thousands):

	June 30, 2023	December 31, 2022
Beginning balance	$ 97,766	$ 85,841
Goodwill related to acquisitions	—	16,197
Foreign currency translation adjustment	1,201	(4,272)
Ending balance	$ 98,967	$ 97,766

Acquired Intangible Assets

Acquired intangible assets subject to amortization consisted of the following (dollars in thousands):

	June 30, 2023			
	Gross Carrying Value*	Accumulated Amortization**	Net Carrying Amount	Weighted Average Remaining Life (Years)
Developed Technology	$ 31,632	$ (18,459)	$ 13,173	3.82
Acquired Relationships	91,587	(12,238)	79,349	10.50
	$ 123,219	$ (30,697)	$ 92,522	

* Includes $(2,532) thousand of foreign currency translation adjustments.
** Includes $105 thousand of foreign currency translation adjustments.

	December 31, 2022			
	Gross Carrying Value*	Accumulated Amortization**	Net Carrying Amount	Weighted Average Remaining Life (Years)
Developed Technology	$ 31,848	$ (15,429)	$ 16,419	4.55
Acquired Relationships	90,612	(9,423)	81,189	10.92
Non-Compete Agreement	469	(461)	8	0.27
	$ 122,929	$ (25,313)	$ 97,616	

* Includes $(3,416) thousand of foreign currency translation adjustments.
** Includes $154 thousand of foreign currency translation adjustments.

Amortization expense for the three months ended June 30, 2023 and 2022 was $3.0 million and $2.2 million, respectively. Amortization expense for the six months ended June 30, 2023 and 2022 was $5.8 million and $4.3 million, respectively.

As of June 30, 2023, the estimated annual amortization expense of intangible assets for each of the next five years and thereafter is expected to be as follows (in thousands):

	Estimated Amortization Expense
Remaining of fiscal year 2023	$ 5,739
2024	10,977
2025	9,731
2026	8,967
2027	8,658
2028	8,026
Thereafter	40,424
	$ 92,522

Note 10. Debt

Revolving Credit Syndication Loan

On July 29, 2021, the Company entered into a three-year senior secured revolving credit syndication loan with three banks for a total commitment of $50.0 million (Revolving Credit Facility). The Revolving Credit Facility includes a $5.0 million letter of credit sub-facility and a $5.0 million swingline sub-facility, with available borrowings under the Revolving Credit Facility reduced by the amount of any letters of credit and swingline borrowings outstanding from time to time. The Revolving Credit Facility is guaranteed by Flywire's material domestic subsidiaries.

The Revolving Credit Facility consists of Alternate Base Rate (ABR) loans or Eurodollar Borrowings, at the Company's option.

On June 23, 2023, the Company executed the First Amendment to the Revolving Credit Facility to transition from the LIBOR benchmark rate to the SOFR benchmark rate effective June 30, 2023.

In accordance with the First Amendment, ABR loans bear interest at the ABR plus the applicable rate. Eurodollar Borrowings bear interest at the Adjusted Term SOFR for the interest period plus the applicable rate. The ABR rate is based on the greatest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 1/2 of 1%, or (c) the Adjusted Term SOFR for a one-month interest period, plus 1%. The Adjusted Term SOFR is based on (x) the Term SOFR, plus (y) the applicable spread adjustment ranging from 0.11448% to 0.71513% depending on the length of the SOFR interest period, multiplied by (z) the Statutory Reserve Rate. The applicable rate is based upon the Company's liquidity as of the most recent consolidated financial information and ranges from 0.75% to 2.25%.

Prior to the First Amendment, ABR loans borne interest at the ABR plus the applicable rate. Eurodollar Borrowings borne interest at the Adjusted LIBOR for the interest period plus the applicable rate. The ABR rate was based on the greatest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 1/2 of 1%, or (c) the Adjusted LIBOR for a one-month interest period, plus 1%. The adjusted LIBOR was based on (x) the LIBOR for such interest period, multiplied by (y) the Statutory Reserve Rate. The applicable rate was based upon the Company's liquidity as of the most recent consolidated financial information and ranged from 0.75% to 2.25%.

The Revolving Credit Facility incurs a commitment fee ranging from 0.25% to 0.35% based upon the Company's liquidity as of the most recent consolidated financial information assessed on the average undrawn portion of the available commitment.

The Revolving Credit Facility contains customary affirmative and negative covenants and restrictions typical for a financing of this type that, among other things, require the Company to satisfy certain financial covenants and restrict the Company's ability to incur additional debt, pay dividends and make distributions, make certain investments and acquisitions, repurchase its stock and prepay certain indebtedness, create liens, enter into agreements with affiliates, modify the nature of its business, enter into sale-leaseback transactions, transfer and sell material assets and merge or consolidate. Non-compliance with one or more of the covenants and restrictions could result in the full or partial principal

balance of the Revolving Credit Facility becoming immediately due and payable and termination of the commitments. The Company was in compliance with all covenants associated with the Revolving Credit Facility as of June 30, 2023.

On July 29, 2021, the Company drew $25.9 million on the Revolving Credit Facility and used the proceeds to prepay its then existing Loan and Security Agreement of $25.0 million (LSA). In connection with the transaction, the Company incurred debt issuance costs of $0.3 million and debt discount of $0.1 million. Debt issuance costs and debt discount are amortized on a straight-line basis over the contractual term of the agreement and are presented as a component of other assets on the Company's condensed consolidated balance sheets.

On October 28, 2022, the Company repaid the $25.9 million outstanding under the Revolving Credit Facility. Following the repayment, the Company continued to have access to a total commitment of $50.0 million under the Revolving Credit Facility. As of June 30, 2023 and December 31, 2022, there was no outstanding indebtedness under the Revolving Credit Facility.

Interest expense for the three months ended June 30, 2023 and 2022 was $0.1 million and $0.3 million, respectively. Included in interest expense for the three months ended June 30, 2023 and 2022 is less than $0.1 million and $0.1 million, respectively, of amortization of debt issuance cost and debt discount. Interest expense for the six months ended June 30, 2023 and 2022 was $0.2 million and $0.5 million, respectively. Included in interest expense for the six months ended June 30, 2023 and 2022 is $0.1 million and $0.2 million, respectively, of amortization of debt issuance cost and debt discount.

Note 11. Stockholders’ Equity

Preferred Stock

The Company’s current amended and restated certificate of incorporation, which became effective on May 28, 2021, authorizes the issuance of 10,000,000 shares of undesignated preferred stock with a par value of $0.0001 per share with rights and preferences, including voting rights, designated from time to time by the board of directors.

Common Stock

The Company’s current amended and restated certificate of incorporation authorizes the issuance of 2,000,000,000 shares of voting common stock with a par value of $0.0001 per share and 10,000,000 shares of non-voting common stock with a par value of $0.0001 per share. The voting and non-voting shares are identical, except that holders of voting common stock are entitled to one vote for each share on each matter properly submitted to the Company’s stockholders for their vote, while holders of non-voting common stock are not entitled to vote on such matters. Holders of voting common stock and non-voting common stock are entitled to receive any dividends as may be declared from time to time by the board of directors.

Holders of the Company's common stock have no conversion rights while each share of non-voting common stock automatically converts into common stock on a one-to-one basis without the payment of additional consideration upon the transfer thereof in (i) a widespread public distribution, including pursuant to Rule 144 under the Securities Act, (ii) a transfer (including a private placement or a sale pursuant to Rule 144 under the Securities Act) in which no one party acquires the right to purchase 2% or more of any class of voting securities (as such term is used for the purposes of the Bank Holding Company Act of 1956, as amended), (iii) an assignment to a single party (for example, a broker or investment banker) for the purposes of conducting a widespread public distribution, or (iv) to a party who would control more than 50% of the Company's voting securities without giving effect to the shares of non-voting common stock transferred by the holder. Other than in the event of such transfers, shares of non-voting common stock shall not be convertible into any other security.

As of June 30, 2023, the Company had reserved shares of common stock for future issuance as follows:

	June 30, 2023
Issued and outstanding stock options	10,430,580
Issued and outstanding restricted stock units	4,518,964
Available for issuance under the 2021 Equity Incentive Plan	14,956,425
Available for issuance under Employee Stock Purchase Plan	3,766,959
Available for conversion of non-voting common stock	1,873,320
	35,546,248

Note 12. Stock-Based Compensation

Equity Incentive Plan

In April 2021, the Company’s board of directors adopted, and in May 2021 its stockholders approved the 2021 Equity Incentive Plan (the 2021 Plan).

No further awards are being made under the Company’s 2009 Equity Incentive Plan, as amended (the 2009 Plan) or the Company’s 2018 Stock Incentive Plan (the 2018 Plan); however, awards outstanding under each of the 2009 Plan and 2018 Plan will continue to be governed by their existing terms. With the establishment of the 2021 Plan as further discussed below, upon the expiration, forfeiture, cancellation, or reacquisition of any stock-based awards granted under the 2009 Plan or 2018 Plan, an equal number of shares will become available for grant under the 2021 Plan. The 2021 Plan, 2018 Plan and 2009 Plan are collectively referred to as the “Equity Incentive Plans”.

The 2021 Plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance awards and other forms of equity compensation (collectively, equity awards). A total of 19,988,330 shares of the Company’s common stock have been reserved for issuance under the 2021 Plan in addition to (i) any annual automatic evergreen increases in the number of shares of common stock reserved for issuance under the 2021 Plan and (ii) upon the expiration, forfeiture, cancellation, or reacquisition of any stock-based awards granted under the 2009 Plan or 2018 Plan, an equal number of shares of common stock will become available under the 2021 Plan.

As of June 30, 2023, a total of 14,956,425 shares of the Company's common stock were available for future issuance under the 2021 Plan.

Stock Options

Stock options granted under the 2009 Plan, 2018 Plan and the 2021 Plan generally vest based on continued service over four years and expire within ten years from the date of grant. Any options that are canceled or forfeited before expiration become available for future grants.

The Company did not grant any options to purchase shares of common stock during the three and six months ended June 30, 2023.

As of June 30, 2023, there was $15.6 million of total unrecognized compensation expense related to unvested stock options, which is expected to be recognized over a weighted-average period of 1.73 years.

Restricted Stock Awards and Restricted Stock Units

During 2018, the Company granted restricted stock awards to employees under the 2018 Plan. The restricted stock awards vested ratably over a four year period from the date of grant. The fair value of each restricted stock award was the estimated fair value of the common stock on the date of grant. All restricted stock awards were fully vested as of 2022.

Starting in 2021, the Company has awarded restricted stock units to employees and certain non-employee board members under the 2021 Plan. During the three and six months ended June 30, 2023, the Company awarded restricted stock units covering an aggregate of 123,251 and 2,536,481 shares of common stock, respectively. The fair value of each restricted stock unit is estimated based on the fair value of the Company's common stock on the date of the grant. The restricted stock units vest over the requisite service period, which range between one and four years from the date of the grant, subject to the continued employment of the employees and service of the non-employee board members.

As of June 30, 2023, there was $100.0 million of total unrecognized compensation expense related to unvested restricted stock units, which is expected to be recognized over a weighted-average period of 3.33 years.

Employee Stock Purchase Plan

In April 2021, the Company’s board of directors adopted, and in May 2021 its stockholders approved, the 2021 Employee Stock Purchase Plan (ESPP), which became effective on May 28, 2021. The ESPP authorizes the issuance of shares of common stock pursuant to purchase rights granted to "eligible employees". A total of 3,797,245 shares of common stock have been reserved for future issuance under the ESPP, in addition to any annual automatic evergreen

increases in the number of shares of common stock reserved for future issuance under the ESPP. The price at which common stock is purchased under the ESPP is equal to 85% of the fair market value of a share of common stock on the first or last day of the offering period, whichever is lower. Eligible employees can contribute the lesser of up to 15% of their eligible compensation or IRS limit. Offering periods are generally 6 months long.

As of June 30, 2023, a total of 3,766,959 shares of the Company's common stock were available for future issuance under the ESPP.

As of June 30, 2023, there was no unrecognized compensation expense related to the ESPP.

Stock-Based Compensation Costs

The following table summarizes the stock-based compensation expense for stock options, restricted stock units and ESPP granted to employees and non-employee board members that was recorded in the Company’s condensed consolidated statements of operations and comprehensive loss (in thousands):

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Technology and development	$ 2,399	$ 1,359	$ 3,968	$ 2,185
Selling and marketing	3,294	2,211	5,731	3,515
General and administrative	5,683	4,867	10,280	8,232
Total stock-based compensation expense	$ 11,376	$ 8,437	$ 19,979	$ 13,932

Note 13. Net Loss per Share

Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period. Diluted net loss attributable to common stockholders is computed by adjusting net loss attributable to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net loss per share attributable to common stockholders is computed by dividing the diluted net loss attributable to common stockholders by the weighted-average number of common shares outstanding, including all potentially dilutive common shares, if the effect of such shares is dilutive.

In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. The Company reported a net loss attributable to common stockholders for the three and six months ended June 30, 2023 and 2022. For the three and six months ended June 30, 2023 and 2022, net loss per share attributable to common stockholders was the same as diluted net loss per share attributable to common stockholders.

The rights, including the liquidation and dividend rights, of the voting and non-voting common stock are identical, except with respect to voting rights. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis to each class of common stock and the resulting basic and diluted net loss per share attributable to common stockholders are, therefore, the same for both voting and non-voting common stock on both individual and combined basis.

Basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator:				
Net loss	$ (16,813)	$ (23,797)	$ (20,496)	$ (33,946)
Net loss attributable to common stockholders - basic and diluted	$ (16,813)	$ (23,797)	$ (20,496)	$ (33,946)
Denominator:				
Weighted average common shares outstanding - basic and diluted	111,133,221	107,426,898	110,464,092	107,085,233
Net loss per share attributable to common stockholders - basic and diluted	$ (0.15)	$ (0.22)	$ (0.19)	$ (0.32)

Outstanding potentially dilutive securities, which were excluded from the diluted net loss per share calculations because they would have been antidilutive were as follows as of the dates presented:

	June 30,	
	2023	2022
Unvested restricted stock units	4,518,964	2,795,230
Stock options to purchase common stock	10,430,580	13,466,157
	14,949,544	16,261,387

Note 14. Income Taxes

The Company's provision for income taxes during the interim periods is determined using an estimate of the Company's annual effective tax rate, which is adjusted for certain discrete tax items during the interim period. The Company recorded an income tax expense of $1.1 million for the three months ended June 30, 2023 and 2022. The income tax expense for the three months ended June 30, 2023 and 2022 was primarily attributable to activity in the Company's foreign subsidiaries and U.S. state taxes. The Company recorded an income tax expense of $1.5 million and $1.6 million for the six months ended June 30, 2023 and 2022, respectively. The income tax expense for the six months ended June 30, 2023 and 2022 was primarily attributable to activity in the Company's foreign subsidiaries and U.S. state taxes.

The Company's effective tax rate differs from the U.S. federal statutory rate primarily due to the change in valuation allowance in the U.S. The Company is open to future tax examinations from 2018 to the present; however, carryforward attributes that were generated prior to 2018 may still be adjusted upon examination by federal, state or local tax authorities to the extent they will be used in a future period. In 2021, the U.S. Internal Revenue Service commenced a corporate income tax audit with respect to the 2018 calendar year, which was completed in 2022.

The Company's management evaluates the realizability of the Company's deferred tax assets based on all available evidence, both positive and negative. The realization of net deferred tax assets is dependent on the Company's ability to generate sufficient future taxable income during the foreseeable future. As of June 30, 2023, the Company continues to maintain a full valuation allowance of the U.S. and United Kingdom net deferred tax assets.

On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law. This legislation imposes a federal Corporate Alternative Minimum Tax among other tax law changes. The Inflation Reduction Act of 2022 was effective for Flywire for years beginning after December 31, 2022. The Company has completed its analysis of this legislation and it does not expect the Inflation Reduction Act of 2022 will have a material impact on the Company's tax liability.

Note 15. Commitments and Contingencies

Legal proceedings

The Company is subject to various legal proceedings and claims from time to time, the outcomes of which are subject to significant uncertainty. The Company records an accrual for legal contingencies when it has determined that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, the Company evaluates, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, the ability to make a reasonable estimate of the loss. If the occurrence of liability is probable, the Company will disclose the nature of the contingency, and if estimable, will provide the likely amount of such loss or range of loss.

As of June 30, 2023, the Company was not a party to any litigation the outcome of which, the Company believes, if determined adversely to it, would individually or in the aggregate, have a material adverse effect on its financial position, results of operations, or cash flows.

In the course of implementing geolocation data-based sanctions screening measures, the Company identified certain payments which, based on geolocation data, appear to have been initiated from Cuba, Iran, or Syria, in potential violation of applicable sanctions regimes. Although Flywire continues to evaluate whether these transactions constitute potential violations of the U.S. Department of the Treasury's Office of Foreign Assets Controls (OFAC) sanctions (including whether certain of these payments may have been authorized by general licenses or license exemptions under the relevant sanctions regulations), in August 2023, Flywire made a voluntary submission to OFAC to report the potential violations. Based upon the results of the internal investigation completed to date, the Company does not believe that the amount of any loss incurred as a result of this matter would be material to its business, financial condition, results of operations or cash flows.

Indemnification

In the ordinary course of business, the Company agrees to indemnify certain partners and clients against third-party claims asserting infringement of certain intellectual property rights, data privacy breaches, damages caused to property or persons, or other liabilities relating to or arising from the Company's payment platform or other contractual obligations. In addition, the Company has entered into indemnification agreements with members of its board of directors and executive officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not aware of any pending indemnification matters or claims, individually or in the aggregate, that are expected to have a material adverse effect on its financial position, results of operations, or cash flows and had not accrued any liabilities related to such obligations in its consolidated financial statements for the periods ended June 30, 2023 and December 31, 2022.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

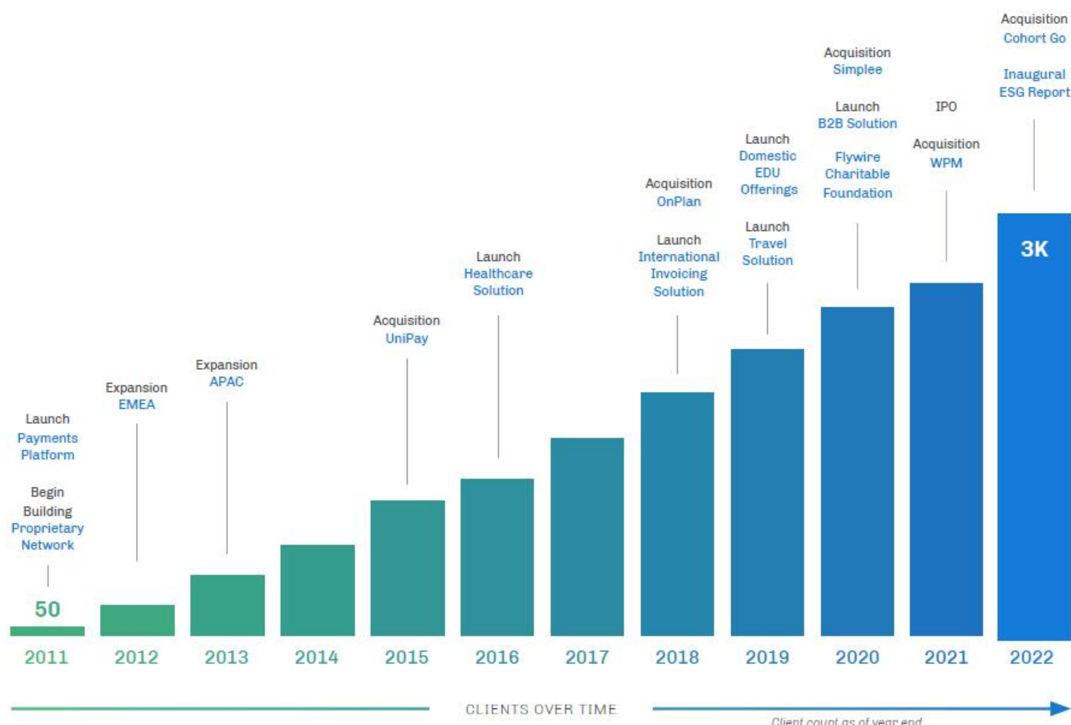
You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q. Some of the information contained in this Quarterly Report on Form 10-Q includes forward-looking statements that involve risks and uncertainties. You should read the sections titled “Special Note Regarding Forward- Looking Statements” and “Risk Factors” for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Our fiscal year end is December 31, and our fiscal quarters end on March 31, June 30, September 30, and December 31.

Overview

Flywire is a leading global payments enablement and software company. Our next-gen payments platform, proprietary global payment network and vertical-specific software help our clients get paid and help their customers pay with ease—no matter where they are in the world. Our clients rely on us for integrated solutions that are both global and local, and combine tailored invoicing, flexible payment options, and highly personalized omni-channel experiences. We believe we make generational advances for our clients by transforming payments into a source of value and growth for their organizations while delighting their customers with payment experiences that are engaging, secure, fast, and transparent.

Our *Flywire Advantage* is derived from three core elements: (i) our next-gen payments platform; (ii) our proprietary global payment network; and (iii) our vertical-specific software backed by our deep industry expertise. With our *Flywire Advantage*, we aim to power the transformation of our clients’ accounts receivable functions by automating paper and check-based business processes in addition to creating interactive, digital payment experiences for their customers. As a result, clients who implement our payments and software solutions can see increased digital payments and improved accounts receivable, higher enrollment in payment plans, and a reduction in customer support inquiries. We help our clients turn their accounts receivable functions into strategic, value-enhancing areas of their organizations.

We reach clients through various channels, with our direct channel being our primary go-to-market strategy. Our industry-experienced sales and relationship management teams bring expertise and local reach, and our solution combines high-tech and high-touch functions backed by 24x7 multilingual customer support, resulting in high client and customer satisfaction. In addition, the value of our Flywire Advantage has been recognized, with global financial institutions and technology providers choosing to form channel partnerships with us. These partnerships promote organic referral and lead generation opportunities and enhance our indirect sales strategy.



The combination of our differentiated solution and efficient go-to-market strategy has resulted in strong and consistent client growth.

- ***Rapid domestic and international payments volume growth.*** We have grown our total payment volume by approximately 43% period-over-period from $2.9 billion during the three months ended June 30, 2022 to $4.1 billion during the three months ended June 30, 2023. We have grown our total payment volume by approximately 39% period-over-period from $7.0 billion during the six months ended June 30, 2022 to $9.8 billion during the six months ended June 30, 2023.

- ***Expanded global payments network.*** We have continued to add to the capabilities of our payment network by means of new local bank accounts and payment partners, and have expanded our global reach to over 240 countries and territories and more than 140 currencies.

- ***Enjoyable and personalized user experience.*** Our net promoter score (NPS) score of 62 in fiscal year 2022 demonstrates a strong affinity among our clients for our platform.

- ***Strong dollar-based net retention.*** For the year ended December 31, 2022, our annual net dollar-based retention rate was approximately 124%. We calculate the annual net dollar-based retention rate for a given year based on the weighted average of the quarterly net dollar-based retention rates for each quarter in that year. We calculate the quarterly net dollar-based retention rate for a given quarter by dividing the revenue we earned in that quarter by the revenue we earned from the same clients in the corresponding quarter of the previous year. Our calculation of quarterly net dollar-based revenue rate for a given quarter only includes revenue from clients that were clients at the beginning of the corresponding quarter of the previous year.

As of June 30, 2023, we serve over 3,500 clients around the world. In education, we serve more than 2,600 institutions. In healthcare, we power more than 80 healthcare systems, including four of the top 10 healthcare systems in

the United States ranked by hospital size as of December 31, 2022. In our newer payment verticals of travel and business-to-business (B2B) payments, we have a growing portfolio of more than 700 clients as of June 30, 2023.

Our success in building our client base around the world and expanding utilization by our clients' customers has allowed us to achieve significant scale. We enabled approximately $18.1 billion and $9.8 billion in total payment volume during the year ended December 31, 2022 and six months ended June 30, 2023, respectively. We generated revenue of $289.4 million and $201.1 million for the years ended December 31, 2022 and 2021, respectively, and incurred net losses of $39.3 million and $28.1 million, respectively, for the same years. We generated revenue of $179.2 million and $121.1 million for the six months ended June 30, 2023 and 2022, respectively, and incurred net loss of $20.5 million and $33.9 million, respectively, for the same periods.

We believe that the growth of our business and our operating results will be dependent upon many factors, including our ability to add new clients, expand the usage of our solutions by our existing clients and their customers, and increase the breadth and depth of our payments and software capabilities by adding new solutions. While these areas present significant opportunities for us, they also pose challenges and risks that we must successfully address in order to sustain the growth of our business and improve our operating results.

While we have experienced significant growth and increased demand for our solutions over recent periods, we expect to continue to incur losses in the short term and may not be able to achieve or maintain profitability in the future. Our marketing is focused on generating leads to develop our sales pipeline, building our brand and market awareness, scaling our network of partners and growing our business from our existing client base. We believe that these efforts will result in an increase in our client base, revenues, and improved margins in the long term. To manage any future growth effectively, we must continue to improve and expand our information technology (IT) and financial infrastructure, our operating and administrative systems and controls, and our ability to manage headcount, capital, and processes in an efficient manner. Additionally, we face intense competition in our market, and to succeed, we need to innovate and offer solutions that are differentiated from legacy payment solutions. We must also effectively hire, retain, train, and motivate qualified personnel and senior management. There are also circumstances beyond our control which can materially impact our business that we need to respond to, including, but not limited to, the ongoing effects of the COVID-19 pandemic and fluctuations in exchange rates. If we are unable to successfully address these challenges, our business, operating results, and prospects could be adversely affected.

Recent Acquisition

In July 2022, we acquired all of the issued and outstanding shares of Cohort Go for an estimated aggregate purchase consideration of $23.1 million, consisting of $17.1 million in cash, net of cash acquired, $4.3 million in shares of common stock and up to $1.7 million in contingent consideration. Contingent consideration represented additional payments that Flywire was required to make which was dependent upon Cohort Go's achievement of specific post-acquisition milestones and was subject to exchange rate fluctuation adjustment between the U.S. Dollar and Australian Dollar. During March 2023, the Company made a payment of contingent consideration of $1.7 million, in the form of cash, based on Cohort Go's successful and timely achievement of the contracted milestones. No additional contingent consideration is due or payable with respect to the Cohort Go acquisition. Cohort Go is an Australian-based education payments provider that simplifies the student recruitment process by bringing together students, agents and essential student services such as health insurance into one platform. The acquisition of Cohort Go accelerated the growth of Flywire's agent related revenue and contributed to our global expansion. Cohort Go contributed $4.3 million in transaction revenue and $3.0 million in platform revenue during the three months ended June 30, 2023, respectively, and $7.8 million in transaction revenue and $5.5 million in platform revenue during the six months ended June 30, 2023, respectively.

Our Revenue Model

We derive revenue from transactions and platform and usage-based fees.

Transaction revenue is earned from payment processing services provided to our clients. The fee earned on each transaction consists of a rate applied to the total payment value of the transaction, which can vary based on the payment method currency pair conversion and the geographic region in which our client and the clients' customer resides. We also earn revenue from marketing fees from credit card service providers for marketing arrangements in which we perform certain marketing activities which we consider to be ancillary to the solutions we provide to our clients.

Platform and usage-based fee revenue includes (i) fees earned for the utilization of our payment platform to optimize cash collections, (ii) fees collected on payment plans established by our clients on our payment platform, (iii) subscription

fees and (iv) fees related to printing and mailing services which we consider to be ancillary to the solutions we provide to our clients.

Key Operating Metrics and Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared in accordance with generally accepted accounting principles in the United States (GAAP), we use certain non-GAAP financials measures. The following table sets forth our key operating metrics and non-GAAP measures for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	2023	2022	2023	2022
Total Payment Volume	$ 4,089.9	$ 2,860.3	$ 9,758.1	$ 7,034.1
Revenue	$ 84.9	$ 56.5	$ 179.2	$ 121.1
Revenue Less Ancillary Services	$ 79.5	$ 51.5	$ 168.5	$ 110.7
Gross Profit	$ 48.8	$ 33.2	$ 107.0	$ 72.0
Adjusted Gross Profit	$ 50.5	$ 34.4	$ 110.3	$ 74.4
Gross Margin	57.5 %	58.8 %	59.7 %	59.5 %
Adjusted Gross Margin	63.5 %	66.8 %	65.5 %	67.2 %
Net Loss	$ (16.8)	$ (23.8)	$ (20.5)	$ (33.9)
Adjusted EBITDA	$ (0.1)	$ (6.1)	$ 6.8	$ (4.4)

For the three months ended June 30, 2023, transaction revenue and platform and usage-based fee revenue represented 78.8% and 21.2% of our revenue, respectively. For the three months ended June 30, 2023, transaction revenue and platform and usage-based fee revenue represented 84.0% and 16.0% of our total revenue less ancillary services, respectively. For the three months ended June 30, 2022, transaction revenue and platform and usage-based fee revenue represented 73.8% and 26.2% of our revenue, respectively. For the three months ended June 30, 2022, transaction revenue and platform and usage-based fee revenue represented 80.6% and 19.4% of our total revenue less ancillary services, respectively.

For the six months ended June 30, 2023, transaction revenue and platform and usage-based fee revenue represented 79.9% and 20.1% of our revenue, respectively. For the six months ended June 30, 2023, transaction revenue and platform and usage-based fee revenue represented 84.6% and 15.4% of our total revenue less ancillary services, respectively. For the six months ended June 30, 2022, transaction revenue and platform and usage-based fee revenue represented 74.6% and 25.4% of our revenue, respectively. For the six months ended June 30, 2022, transaction revenue and platform and usage-based fee revenue represented 81.0% and 19.0% of our total revenue less ancillary services, respectively.

For the three months ended June 30, 2023, our total payment volume was approximately $4.1 billion, consisting of $3.1 billion of total payment volume from transactions included in transaction revenue, and $1.0 billion of total payment volume from transactions included in platform and usage-based fee revenue. For the three months ended June 30, 2022, our total payment volume was approximately $2.9 billion, consisting of $2.0 billion of total payment volume from transactions included in transaction revenue, and $0.9 billion of total payment volume from transactions included in platform and usage-based fee revenue.

For six months ended June 30, 2023, our total payment volume was approximately $9.8 billion, consisting of $6.9 billion of total payment volume from transactions included in transaction revenue and $2.9 billion of total payment volume from transactions included in platform and usage-based fee revenue. For six months ended June 30, 2022, our total payment volume was approximately $7.0 billion, consisting of $4.5 billion of total payment volume from transactions included in transaction revenue and $2.5 billion of total payment volume from transactions included in platform and usage-based fee revenue.

Total Payment Volume

To grow revenue from clients we must facilitate the use of our payment platform by our clients to process the amounts paid to them by their customers. The more our clients use our platform and rely upon our features to automate their payments, the more payment volume is processed on our solution. This metric provides an important indication of the value of the transactions that our clients' customers are completing on our payment platform and is an indicator of our ability to generate revenue from our clients. We define total payment volume as the total amount paid to our clients on our payments platform in a given period.

Revenue Less Ancillary Services, Revenue Less Ancillary Services at Constant Currency, Adjusted Gross Profit, Adjusted Gross Margin and Adjusted EBITDA

We use non-GAAP financial measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management to better understand our consolidated financial performance from period to period and better project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, we believe these non-GAAP financial measures provide our stakeholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period to period comparisons. There are limitations to the use of the non-GAAP financial measures presented here. Our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

We use supplemental measures of our performance which are derived from our consolidated financial information, but which are not presented in our consolidated financial statements prepared in accordance with GAAP. These non- GAAP financial measures include the following:

- *Revenue Less Ancillary Services* - Revenue Less Ancillary Services represents our consolidated revenue in accordance with GAAP less (i) pass-through cost for printing and mailing services and (ii) marketing fees. We exclude these amounts to arrive at this supplemental non-GAAP financial measure as we view these services as ancillary to the primary services we provide to our clients.

- *Revenue Less Ancillary Services at Constant Currency* - Revenue Less Ancillary Services at Constant Currency represents Revenue Less Ancillary Services adjusted to show presentation on a constant currency basis. The constant currency information presented is calculated by translating current period results using prior period weighted average foreign currency exchange rates. We analyze Revenue Less Ancillary Services on a constant currency basis to provide a comparable framework for assessing how the business performed excluding the effect of foreign currency fluctuations.

- *Adjusted Gross Profit* - Adjusted Gross Profit represents Revenue Less Ancillary Services, less cost of revenue adjusted to (i) exclude pass-through cost for printing services, (ii) offset marketing fees against costs incurred and (iii) exclude depreciation and amortization, including accelerated amortization on the impairment of customer set-up costs tied to technology integration, if applicable. Management believes this presentation supplements the GAAP presentation of gross profit with a useful measure of the gross profit of our payment related services, which are the primary services we provide to our clients.

- *Adjusted Gross Margin* - Adjusted Gross Margin represents Adjusted Gross Profit divided by Revenue Less Ancillary Services. Management believes this presentation supplements the GAAP presentation of gross margin with a useful measure of the gross margin of our payment-related services, which are the primary services we provide to our clients. Beginning with the quarter ended December 31, 2022, we have excluded depreciation and amortization from the calculation of our adjusted gross profit, which we believe enhances the understanding of the Company’s operating performance and enables more meaningful period to period comparisons. Our adjusted gross profit and adjusted gross margin for the three and six months ended June 30, 2022 were recast to conform to the updated methodology and are reflected herein for comparison purposes.

- *Adjusted EBITDA* - Adjusted EBITDA represents EBITDA further adjusted by excluding (i) stock-based compensation expense and related payroll taxes, (ii) the impact from the change in fair value measurement for contingent consideration associated with acquisitions, (iii) interest income, (iv) gain (loss) from the remeasurement of foreign currency, (v) indirect taxes related to intercompany activity (vi) acquisition related transaction costs and (vii) employee retention costs, such as incentive compensation associated with acquisition activities. Management believes that the exclusion of these amounts to calculate Adjusted EBITDA provides useful measures for period-to-period comparisons of our business.

These non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for revenue, gross margin or net loss prepared in accordance with GAAP and should be read only in conjunction with financial information presented on a GAAP basis. Reconciliations of Revenue Less Ancillary Services, Revenue Less Ancillary Services at Constant Currency, Adjusted Gross Profit, Adjusted Gross Margin and Adjusted EBITDA to the most directly comparable GAAP financial measure are presented below. We encourage you to review these reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods

presented. In future fiscal periods, we may exclude such items and may incur income and expenses similar to these excluded items.

Reconciliations of Non-GAAP Financial Measures

The tables below provide reconciliations of Revenue Less Ancillary Services, Revenue Less Ancillary Services at Constant Currency, Adjusted Gross Profit, Adjusted Gross Margin and Adjusted EBITDA to the most comparable GAAP figure on a consolidated basis for the periods presented. All amounts are rounded to the nearest million. As a result, certain amounts may not recalculate using the rounded amounts provided.

Revenue Less Ancillary Services, Adjusted Gross Profit and Adjusted Gross Margin:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	2023	2022	2023	2022
Revenue	$ 84.9	$ 56.5	$ 179.2	$ 121.1
Adjusted to exclude gross up for:				
Pass-through cost for printing and mailing	(5.3)	(4.8)	(10.2)	(9.8)
Marketing fees	(0.1)	(0.2)	(0.5)	(0.6)
Revenue Less Ancillary Services	$ 79.5	$ 51.5	$ 168.5	$ 110.7
Payment processing services costs	33.8	21.8	67.7	46.1
Hosting and amortization costs within technology and development expenses	2.3	1.5	4.5	3.0
Cost of Revenue	$ 36.1	$ 23.3	$ 72.2	$ 49.1
Adjusted to:				
Exclude printing and mailing costs	(5.3)	(4.8)	(10.2)	(9.8)
Offset marketing fees against related costs	(0.1)	(0.2)	(0.5)	(0.6)
Exclude depreciation and amortization	(1.7)	(1.2)	(3.3)	(2.4)
Adjusted Cost of Revenue	$ 29.0	$ 17.1	$ 58.2	$ 36.3
Gross Profit	$ 48.8	$ 33.2	$ 107.0	$ 72.0
Gross Margin	57.5%	58.8%	59.7%	59.5%
Adjusted Gross Profit	$ 50.5	$ 34.4	$ 110.3	$ 74.4
Adjusted Gross Margin	63.5%	66.8%	65.5%	67.2%

(dollars in millions)	Three Months Ended June 30, 2023 Transaction	Three Months Ended June 30, 2023 Platform and Usage-Based Fee	Three Months Ended June 30, 2023 Revenue	Three Months Ended June 30, 2022 Transaction	Three Months Ended June 30, 2022 Platform and Usage-Based Fee	Three Months Ended June 30, 2022 Revenue
Revenue	$ 66.8	$ 18.0	$ 84.9	$ 41.7	$ 14.8	$ 56.5
Adjusted to exclude gross up for:						
Pass-through cost for printing and mailing	—	(5.3)	(5.3)	—	(4.8)	(4.8)
Marketing fees	(0.1)	—	(0.1)	(0.2)	—	(0.2)
Revenue Less Ancillary Services	$ 66.7	$ 12.7	$ 79.5	$ 41.5	$ 10.0	$ 51.5
Percentage of Revenue	78.8 %	21.2 %	100 %	73.8 %	26.2 %	100.0 %
Percentage of Revenue Less Ancillary Services	84.0 %	16.0 %	100 %	80.6 %	19.4 %	100.0 %

(dollars in millions)	Six Months Ended June 30, 2023 Transaction	Six Months Ended June 30, 2023 Platform and Usage-Based Fee	Six Months Ended June 30, 2023 Revenue	Six Months Ended June 30, 2022 Transaction	Six Months Ended June 30, 2022 Platform and Usage-Based Fee	Six Months Ended June 30, 2022 Revenue
Revenue	$ 143.1	$ 36.1	$ 179.2	$ 90.3	$ 30.8	$ 121.1
Adjusted to exclude gross up for:						
Pass-through cost for printing and mailing	—	(10.2)	(10.2)	—	(9.8)	(9.8)
Marketing fees	(0.5)	—	(0.5)	(0.6)	—	(0.6)
Revenue Less Ancillary Services	$ 142.6	$ 25.9	$ 168.5	$ 89.7	$ 21.0	$ 110.7
Percentage of Revenue	79.9 %	20.1 %	100 %	74.6 %	25.4 %	100.0 %
Percentage of Revenue Less Ancillary Services	84.6 %	15.4 %	100 %	81.0 %	19.0 %	100.0 %

Revenue Less Ancillary Services at Constant Currency:

(dollars in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Growth Rate
Revenue	$ 84.9	$ 56.5	50.3 %
Ancillary services	(5.4)	(5.0)	
Revenue Less Ancillary Services	79.5	51.5	54.4 %
Effects of foreign currency rate fluctuations	$ 1.2	—	
Revenue Less Ancillary Services at Constant Currency	$ 80.7	$ 51.5	56.7 %

(dollars in millions)	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Growth Rate
Revenue	$ 179.2	$ 121.1	48.0 %
Ancillary services	(10.7)	(10.4)	
Revenue Less Ancillary Services	168.5	110.7	52.2 %
Effects of foreign currency rate fluctuations	$ 5.1	—	
Revenue Less Ancillary Services at Constant Currency	$ 173.6	$ 110.7	56.8 %

EBITDA and Adjusted EBITDA:

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net loss	$ (16.8)	$ (23.8)	$ (20.5)	$ (33.9)
Interest expense	0.1	0.3	0.2	0.5
Provision for income taxes	1.1	1.1	1.5	1.6
Depreciation and amortization	4.3	3.0	8.1	5.8
EBITDA	(11.3)	(19.4)	(10.7)	(26.0)
Stock-based compensation expense and related taxes	11.7	8.5	20.7	13.9
Change in fair value of contingent consideration	—	(0.9)	0.4	(1.0)
Interest income	(1.9)	(0.2)	(3.9)	(0.2)
Loss (gain) from remeasurement of foreign currency	0.8	5.2	(0.7)	7.6
Indirect taxes related to intercompany activity	—	0.1	0.1	0.2
Acquisition related transaction costs [1]	—	0.2	—	0.2
Acquisition related employee retention costs [2]	0.6	0.3	0.9	0.9
Adjusted EBITDA	$ (0.1)	$ (6.1)	$ 6.8	$ (4.4)

(1) Acquisition related transaction costs consisted of legal and advisory fees incurred in connection with the Cohort Go acquisition.
(2) Acquisition related employee retention costs consisted of costs incurred to retain and compensate WPM and Simplificare's (Simplee) employees in connection with integration of the business. Simplee was acquired on February 13, 2020.

Key Factors Affecting Our Performance

Increased Utilization by Our Clients and Their Customers

Our ability to monetize our payments platform and global payment network is an important part of our business model. Today, we charge a fee based on the total payment volume we process on behalf of our clients. Our revenue and payment volume increases as our clients process more transactions on our payment platform and more money is collected through our global payment network. Increased average size of the payments processed on our payment platform also increases our revenue. Our ability to influence clients to process more transactions on our platform will have a direct impact on our revenue.

In addition, sustaining our growth requires continued adoption of our platform by new clients and further adoption of use cases such as payment plans, by our clients' customers. Our ability to influence our clients to expand their customers' usage of our platform also depends on our ability to successfully introduce new solutions, such as our solutions to support payments by international education consultants and our B2B solutions.

Mix of Business on Our Platform

Our revenue is affected by several factors, including the amount of payment volume processed by us on behalf of our clients, the industry in which our clients operate, the currency in which payments are made and received, the method of payment and the number of payment plans initiated by our clients' customers. For example, we recognize more transaction revenue as our clients engage in cross border payment flows which may increase or decrease depending on the industry in which our clients operate. We may experience shifts in the type of revenue we earn (transaction revenue or platform and usage-based fee revenue) depending on the nature of the activity of our clients and our clients' customers on our platform.

Investment in Technology and Development and Sales and Marketing

We make significant investments in both new solutions and existing solution enhancement. New solution features and functionality are brought to market through a variety of distribution and promotional activities. We plan to continue to adopt emerging technologies, expand our library of software integrations and invest in the development of more features. While we expect our expenses related to technology and development to increase, we believe these investments will contribute to long-term growth and profitability.

Additionally, we plan to continue to expand efforts to market our payment platform and global payment network directly to our clients through comprehensive marketing initiatives. We are focused on the effectiveness of sales and marketing spending and will continue to be strategic in maintaining efficient client acquisition in the next quarters, including adjusting spending levels as needed in response to changes in the economic environment.

Seasonality

Our operating results and operating metrics are subject to seasonality and volatility, which could result in fluctuations in our quarterly revenues and operating results or in perceptions of our business prospects. We have experienced in the past, and expect to continue to experience, seasonal fluctuations in our revenue, which can vary by geographic corridor. For instance, our revenue has historically been strongest in our first and third quarters and weakest in our second quarter. Some variability results from seasonal events including the timing of when our education clients' customers make their tuition payments on our payment platform and the number of business days in a month or quarter. We also experience volatility in certain other metrics, such as transactions processed, total payment volume and payment mix.

Economic Conditions and Resulting Consumer Spending Trends

Changes in macro-level consumer spending for education, healthcare and travel trends, including as a result of the lingering effects of the COVID-19 pandemic, inflation or fluctuations in foreign exchange rates could affect the amounts of volumes processed on our platform, thus resulting in fluctuations to our revenue streams.

Impact of the Conflict between Russia and Ukraine

We do not have any operations, including long-lived assets, in Ukraine or Russia. We are actively monitoring the situation in Ukraine and assessing its impact on our business, but as of the issuance date of these condensed consolidated financial statements, the current conflict between Russia and Ukraine has not had a material impact on the Company's revenue, results of operations or financial position. However, we have no way to predict the progress or outcome of the conflict or its impacts in Ukraine, Russia or Belarus as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have a substantial impact on the global economy and our business for an unknown period of time.

Ukraine is a major engineering hub and the conflict may create a global challenge in outsourcing or hiring engineering talent. In addition, we have put in place and continue to actively manage a program to comply with government sanctions imposed on Russian persons and financial institutions. Also, providers of payment and accounts receivable software have frequently been targeted by cyber threats and due to the war in the Ukraine and continued political uncertainty involving Russia and Ukraine and potentially other regions of Europe, there is an increased likelihood that escalation of tensions could result in cyber-attacks that could either directly or indirectly impact our operations. We continue to invest in systems, software and personnel to protect against these enhanced threats, but any failure to protect against such attacks, could result in unauthorized access to or leakage of, sensitive data, or compromise our ability to provide our solutions in a timely manner, which could harm our ability to conduct business or delay our financial reporting. Such failures could adversely affect our operating results and financial condition.

Impact of Inflation

Inflation did not have a material effect on our cash flows and results of operations during the three and six months ended June 30, 2023.

Diversified Mix of Clients

We have a wide range of clients across our education, healthcare, travel and B2B verticals. Volumes and revenue from clients in education, our largest vertical, rely on international enrollments and student school preferences, which can fluctuate over time.

Dynamic Changes to Client Communication and Product Solutions

In response to the macroeconomic impact of the COVID-19 pandemic, we initiated a series of refinements to our technology and personalization engine to optimize our clients' ability to offer payment plans and communicate effectively and digitally with their customers. For example, we developed streamlined versions of our solution that allowed healthcare clients to rapidly deploy secure payment capabilities in support of newly emergent telehealth services that were deployed in the early phases of the COVID-19 to enable remote healthcare services. Similarly, we configured some of our education payment plan solutions for a very streamlined implementation in support of our clients' requests for affordability solutions for their students that could be deployed with minimal IT involvement. While we continue to invest in our technology and product capabilities, our ability to continue providing streamlined and effective products through our technology platform may impact our ability to retain and win new clients in the future. We believe that our ability to help

increase payment affordability has become more critical to our clients during the COVID-19 pandemic as the lack of affordability drives the need for more financial flexibility.

Business Continuity

In response to COVID-19 developments, we implemented measures to focus on the safety of our FlyMates and support of our clients, while at the same time seeking to mitigate the impact on our financial position and operations. We have implemented remote working capabilities for our entire organization and to date, there has been minimal disruption to our operations. During the Spring of 2020, due to initial COVID-19 uncertainty, we reduced our workforce by approximately 12%. From July 2020 through June 30, 2023, our workforce increased by approximately 133% in order to meet the demand of client growth and life as a public company with the goal of ensuring continuity and growth. As vaccination rates increased and the pandemic abated, we reopened our offices to the extent local requirements allowed, although FlyMates continue to have the flexibility to work remotely.

Components of Results of Operations

Revenue

We generate revenue from transactions and platform and usage-based fees as described below.

Transaction Revenue

Transaction revenue consists of a fee based on the total payment volume processed through our payment platform and global payment network. The fee can vary depending on the geographic region in which our client and client's customer resides, the payment method selected by our clients' customer and the currencies in which the transaction is completed on our solution. Fees received are reported as revenue upon the completion of payment processing transaction. Our revenue mix fluctuates and as more revenue is derived from credit cards our adjusted gross margin goes down.

We also earn marketing fees from credit card service providers for marketing arrangements in which we perform certain marketing activities to increase the awareness of the credit card provider and promote certain methods of payments on our payment platform. Fees from these marketing services are recognized as revenue when we complete our obligations under the marketing arrangements. We do not expect our marketing services revenue to be material in future periods.

Platform and Usage-Based Fee Revenue

We earn revenue from many of our clients based on the amount of accounts receivable they collect through our platform. For these services, we are paid a platform and usage-based fee based on the total payment volume that our clients collect. We also earn revenue from clients' customers when they enter into a payment plan and make actual payments against a payment plan in satisfying their obligation to our client. Additionally, we earn a subscription fee from some of our clients for their use of our payment platform. Finally, we earn fees from providing other ancillary services to our clients including printing and mailing services.

Our insurance offering provides students a platform which enables them to compare, select and purchase the mandated health insurance coverage needed. We earn a commission from insurance providers when a student purchases an insurance policy as well as consideration from the student in the form of a markup on the foreign exchange rate.

Payment Processing Services Costs

Payment processing services costs consist of costs incurred to process payment transactions which include banking and credit card processing fees, foreign currency translation costs, partner fees, personnel-related expenses for our FlyMates who facilitate these payments and personnel related expenses for our FlyMates who provide implementation services to our clients. We expect that payment processing services costs will increase in absolute dollars but may fluctuate as a percentage of total revenue from period to period, as we continue to invest in scaling our processing operations and grow our revenue base.

Technology and Development

Technology and development includes (a) costs incurred in connection with the development of our solution and the improvement of existing solutions, including the amortization of software and website development costs incurred in developing our solution, which are capitalized, and acquired developed technology, (b) site operations and other infrastructure costs incurred, (c) amortization related to capitalized cost to fulfill a contract, (d) personnel-related expenses, including salaries, stock based compensation and other expenses, (e) hardware and software engineering, consultant services and other costs associated with our technology platform and products, (f) research materials and facilities, and (g) depreciation and maintenance expense.

We believe delivering new functionality is critical to attract new clients and expand our relationship with existing clients. We expect to continue to make investments to expand our solutions in order to enhance our clients' experience and satisfaction, and to attract new clients. We expect our technology and development expenses to increase in absolute dollars, but they may fluctuate as a percentage of total revenue from period to period as we expand our technology and development team to develop new solutions and enhancements to existing solutions.

Selling and Marketing

Selling and marketing expenses consist of personnel-related expenses, including stock-based compensation expense, sales commissions, amortization of acquired client relationship intangible assets, marketing program expenses, travel related expenses and costs to market and promote our solutions through advertisements, marketing events, partnership arrangements, and direct client acquisition.

We focus our sales and marketing efforts on generating awareness of our business, platform, and solutions, creating sales leads, and establishing and promoting our brand. We plan to continue investing in sales and marketing efforts by driving our go-to-market strategies, building our brand awareness, and sponsoring additional marketing events; however, we will adjust our sales and marketing spend level as needed, and this may fluctuate from period to period, in response to changes in the economic environment.

General and Administrative

General and administrative expenses consist of personnel-related expenses, including stock-based compensation expense for finance, risk management, legal and compliance, human resources and IT functions, costs incurred for external professional services, as well as rent, and facility and insurance costs. We expect to incur additional general and administrative expenses as we continue to invest in our planned growth of our business. We also expect to increase the size of our general and administrative functions to support the growth in the business, and to operate as a public company. As a result, we expect that our general and administrative expenses will increase in absolute dollars but may fluctuate as a percentage of total revenue from period to period.

Interest Expense

Interest expense consists of interest on our Revolving Credit Facility and amortization of debt issuance cost and debt discount from our previous LSA. On July 29, 2021, we entered into a $50.0 million Revolving Credit Facility. We drew $25.9 million on the Revolving Credit Facility and used the proceeds to prepay our then existing LSA. On October 28, 2022, we repaid the $25.9 million outstanding under the Revolving Credit Facility. As a result, we continue to have access to a total commitment of $50.0 million under the Revolving Credit Facility.

On June 23, 2023, we executed the First Amendment to the Revolving Credit Facility to transition from the LIBOR benchmark rate to the SOFR benchmark rate effective June 30, 2023.

In accordance with the First Amendment, the Revolving Credit Facility has an adjustable rate of interest based on the type of loan requested, either at a rate based on the ABR plus an applicable rate or Adjusted Term SOFR plus an applicable rate. The ABR rate is based on the greatest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 1/2 of 1%, or (c) the Adjusted Term SOFR for a one-month interest period, plus 1%. The Adjusted Term SOFR is based on (x) the Term SOFR, plus (y) the applicable spread adjustment ranging from 0.11448% to 0.71513% depending on the length of the SOFR interest period, multiplied by (z) the Statutory Reserve Rate. The applicable rate is based upon our liquidity as of the most recent consolidated financial information and ranges from 0.75% to 2.25%.

Prior to the First Amendment, the Revolving Credit Facility had an adjustable rate of interest based on the type of loan requested, either at a rate based on the ABR plus an applicable rate or LIBOR plus an applicable rate. The ABR rate was based on the greatest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 1/2 of 1%, or (c) the Adjusted

LIBOR for a one-month interest period, plus 1%. The adjusted LIBOR was based on (x) the LIBOR for such interest period, multiplied by (y) the Statutory Reserve Rate. The applicable rate was based upon our liquidity as of the most recent consolidated financial information and ranged from 0.75% to 2.25%.

Interest Income

Interest income consists of interest on cash held in interest bearing accounts, including money market funds.

Gain (loss) from Remeasurement of Foreign Currency

Gain (loss) from remeasurement of foreign currency consists of gains and losses from the remeasurement of foreign currency transactions into its functional currency.

Provision for Income Tax

Provision for income taxes consists primarily of foreign and state income taxes. We have historically generated net operating losses (NOL) carryforwards for U.S. Federal and state tax purposes as we expand the scale of our business activities. Changes in the U.S. and foreign tax law may impact our overall provision for income taxes in the future.

We have a valuation allowance for our U.S. deferred tax assets, including federal and state NOLs. We expect to maintain this valuation allowance until it becomes more likely than not that the benefit of our federal and state deferred tax assets will be realized through expected future taxable income generated in the United States.

Results of Operations

Comparison of results for the three months ended June 30, 2023 and 2022

All amounts in the tables below are rounded to the nearest million. As a result, certain amounts may not recalculate using the rounded amounts provided.

The following table sets forth our consolidated results of operations for periods presented:

(dollars in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	$ Change	% Change
Revenue	$ 84.9	$ 56.5	$ 28.4	50.3 %
Payment processing services costs	33.8	21.8	12.0	55.0 %
Technology and development	16.0	13.2	2.8	21.2 %
Selling and marketing	27.3	18.9	8.4	44.4 %
General and administrative	24.6	20.0	4.6	23.0 %
Total costs and operating expense	101.7	73.9	27.8	37.6 %
Loss from operations	(16.8)	(17.4)	0.6	(3.4)%
Interest expense	(0.1)	(0.3)	0.2	(66.7)%
Interest income	1.9	0.2	1.7	850.0 %
Loss from remeasurement of foreign currency	(0.8)	(5.2)	4.4	(84.6)%
Total other income (expense), net	1.1	(5.3)	6.4	(120.8)%
Loss before provision for income taxes	(15.7)	(22.7)	7.0	(30.8)%
Provision for income taxes	1.1	1.1	0.0	—
Net loss	(16.8)	(23.8)	7.0	(29.4)%
Foreign currency translation adjustment	2.4	—	2.4	100.0 %
Comprehensive loss	$ (14.4)	$ (23.8)	$ 9.4	(39.5)%

Revenue

Revenue was $84.9 million for the three months ended June 30, 2023, compared to $56.5 million for the three months ended June 30, 2022, an increase of $28.4 million or 50.3%. Revenue is comprised of transaction revenue and platform and usage-based fee revenue as follows:

(dollars in millions)	Three Months Ended June 30, 2023	2022	$ Change	% Change
Transaction revenue	$ 66.8	$ 41.7	$ 25.1	60.2 %
Platform and usage-based fee revenue	18.0	14.8	3.2	21.6 %
Revenue	$ 84.9	$ 56.5	$ 28.4	50.3 %

Transaction revenue was $66.8 million for the three months ended June 30, 2023, compared to $41.7 million for the three months ended June 30, 2022, an increase of $25.1 million or 60.2%. The increase in transaction revenue was primarily driven by growth in transaction payment volumes, from both our existing clients and new clients added during the three months ended June 30, 2023 as well as the addition of Cohort Go transaction products during the three months ended June 30, 2023. We experienced strong growth in payment volume across all regions and verticals during the period. Total payment volume increased approximately 43% during the three months ended June 30, 2023 to $4.1 billion. Our marketing services revenue decreased as certain partners are providing less incentives to prioritize their payment method over other transactions compared to prior periods.

Platform and usage-based fee revenue was $18.0 million for the three months ended June 30, 2023, compared to $14.8 million for the three months ended June 30, 2022, an increase of $3.2 million or 21.6%. The increase in platform and usage-based fee revenue was driven primarily by the Cohort Go acquisition, which we completed in 2022.

Payment Processing Services Costs

Payment processing services costs were $33.8 million for the three months ended June 30, 2023, compared to $21.8 million for the three months ended June 30, 2022, an increase of $12.0 million or 55.0%. The increase in payment processing services costs is correlated with the increase in total payment volume of 43% over the same period as well as increased use of credit cards, which have higher processing costs.

Technology and Development

Technology and development expenses were $16.0 million for the three months ended June 30, 2023, compared to $13.2 million for the three months ended June 30, 2022, an increase of $2.8 million or 21.2%.The increase in technology and development costs was primarily driven by an increase in personnel costs, stock-based compensation expense and amortization expense partially offset by a decrease in travel related expenses. Personnel costs were $9.9 million for the three months ended June 30, 2023, compared to $8.3 million for the three months ended June 30, 2022, an increase of $1.6 million or 19.3%. The increase in personnel costs was primarily driven by an increase in headcount within our technology and development teams. Stock-based compensation expense was $2.4 million for the three months ended June 30, 2023, compared to $1.4 million for the three months ended June 30, 2022, an increase of $1.0 million or 71.4%. The increase in stock-based compensation expense is attributable to equity grants awarded to existing and new FlyMates. Amortization of intangible assets was $2.1 million for the three months ended June 30, 2023, compared to $1.6 million for the three months ended June 30, 2022, an increase of $0.5 million or 31.3%. The increase in amortization expense was primarily due to an increase in the purchase of property and equipment and acquired relationships related to the Cohort Go acquisition. Travel expenses were $0.2 million for the three months ended June 30, 2023, compared to $0.3 million for the three months ended June 30, 2022, a decrease of $0.1 million or 33.3%. Lower travel expenses were due to decreased FlyMate collaboration for integration and implementation efforts.

Selling and Marketing

Selling and marketing expenses were $27.3 million for the three months ended June 30, 2023, compared to $18.9 million for the three months ended June 30, 2022, an increase of $8.4 million or 44.4%. The increase in selling and marketing expenses was primarily driven by an increase in personnel costs, professional fees, stock-based compensation expense, other costs and amortization expense. Personnel costs were $14.0 million for the three months ended June 30, 2023, compared to $10.6 million for the three months ended June 30, 2022, an increase of $3.4 million or 32.1%. The increase in personnel costs was primarily driven by an increase in headcount within our selling and marketing teams and commissions earned on sales during the period. Professional fees were $4.2 million for the three months ended June 30, 2023, compared to $1.6 million for the three months ended June 30, 2022, an increase of $2.6 million or 162.5%. The increase in professional fees was due to increases in third party commissions. Stock-based compensation expense was $3.3 million for the three months ended June 30, 2023, compared to $2.2 million for the three months ended June 30, 2022, an increase of $1.1 million or 50.0%. The increase in stock-based compensation expense is attributable to equity grants awarded to existing and new FlyMates. Other costs were $0.6 million for the three months ended June 30, 2023, compared to $0.2 million for the three months ended June 30, 2022, an increase of $0.4 million or 200.0%. The increase in other costs is primarily due to an increase in uncollectible receivables from customers. Amortization of intangible assets

was $1.3 million for the three months ended June 30, 2023, compared to $0.9 million for the three months ended June 30, 2022, an increase of $0.4 million or 44.4%. The increase in amortization expense was due to acquired customer relationships related to the Cohort Go acquisition.

General and Administrative

General and administrative expenses were $24.6 million for the three months ended June 30, 2023, compared to $20.0 million for the three months ended June 30, 2022, an increase of $4.6 million or 23.0%. The increase in general and administrative expenses was primarily driven by an increase in personnel costs, stock-based compensation expense, change in the fair value of contingent consideration and software and hosting expenses. Personnel costs were $10.1 million for the three months ended June 30, 2023, compared to $8.0 million for the three months ended June 30, 2022, an increase of $2.1 million or 26.3%. The increase in personnel costs was primarily driven by an increase in headcount. Stock-based compensation expense was $5.7 million for the three months ended June 30, 2023, compared to $4.9 million for the three months ended June 30, 2022, an increase of $0.8 million or 16.3%. The increase in stock-based compensation expense is attributable to equity grants awarded to existing and new FlyMates. The change in the fair value of contingent consideration related to acquisitions was $0 for the three months ended June 30, 2023, compared to $0.9 million for the three months ended June 30, 2022, an increase of $0.9 million or 100.0%. The increase in the change in the fair value of contingent consideration was due to an adjustment related to the WPM contingent consideration for the period. Software and hosting expenses were $1.9 million for the three months ended June 30, 2023, compared to $1.3 million for the three months ended June 30, 2022, an increase of $0.6 million or 46.2%. The increase in software and hosting expenses was primarily related to increased hosting fees based on payment volumes growth and additional software needs based on headcount growth.

Interest Expense

Interest expense was $0.1 million for the three months ended June 30, 2023, compared to $0.3 million for the three months ended June 30, 2022, a decrease of $0.2 or 66.7%. On October 28, 2022, we repaid the $25.9 million outstanding under our Revolving Credit Facility, which resulted in no interest expense on debt for the three months ended June 30, 2023. Interest expense for the three months ended June 30, 2023 consists primarily of amortization of debt issuance cost and debt discount from our previous LSA.

Interest Income

Interest income was $1.9 million for the three months ended June 30, 2023, compared to $0.2 million for the three months ended June 30, 2022, an increase of $1.7 million or 850.0%. The increase in interest income was due to the Company's investment in interest bearing accounts during the second quarter of 2022.

Loss from Remeasurement of Foreign Currency

Loss from remeasurement of foreign currency was $0.8 million for the three months ended June 30, 2023, compared to $5.2 million for the three months ended June 30, 2022, a decrease of $4.4 million or 84.6%. The decrease was primarily the result of the remeasurement of foreign currency transactions into the British pound sterling and impact of fluctuations in exchange rates during respective remeasurement periods.

Provision for Income Taxes

Provision for income taxes remained unchanged at $1.1 million for the three months ended June 30, 2023 and 2022. The income tax provision for the three months ended June 30, 2023 and 2022 was primarily attributable to activity in our foreign subsidiaries and U.S. state taxes. Our effective tax rate was (7.0)% for the three months ended June 30, 2023, compared to (4.7)% for the three months ended June 30, 2022.

Comparison of results for the six months ended June 30, 2023 and 2022

All amounts in the tables below are rounded to the nearest million. As a result, certain amounts may not recalculate using the rounded amounts provided.

The following table sets forth our consolidated results of operations for periods presented:

	Six Months Ended June 30,			
(dollars in millions)	2023	2022	$ Change	% Change
Revenue	$ 179.2	$ 121.1	$ 58.1	48.0 %
Payment processing services costs	67.7	46.1	21.6	46.9 %
Technology and development	30.5	24.2	6.3	26.0 %
Selling and marketing	51.7	36.5	15.2	41.6 %
General and administrative	52.7	38.8	13.9	35.8 %
Total costs and operating expense	202.6	145.6	57.0	39.1 %
Loss from operations	(23.4)	(24.5)	1.1	(4.5)%
Interest expense	(0.2)	(0.5)	0.3	(60.0)%
Interest income	3.9	0.2	3.7	1850.0 %
Gain (loss) from remeasurement of foreign currency	0.7	(7.6)	8.3	(109.2)%
Total other income (expense), net	4.4	(7.9)	12.3	(155.7)%
Loss before provision for income taxes	(19.0)	(32.4)	13.4	(41.4)%
Provision for income taxes	1.5	1.6	(0.1)	(6.3)%
Net loss	(20.5)	(33.9)	13.4	(39.5)%
Foreign currency translation adjustment	2.1	(0.1)	2.2	(2200.0)%
Comprehensive loss	$ (18.4)	$ (34.1)	$ 15.7	(46.0)%

Revenue

Revenue was $179.2 million for the six months ended June 30, 2023, compared to $121.1 million for the six months ended June 30, 2022, an increase of $58.1 million or 48.0%. Revenue is comprised of transaction revenue and platform and usage-based fee revenue as follows:

	Six Months Ended June 30,			
(dollars in millions)	2023	2022	$ Change	% Change
Transaction revenue	$ 143.1	$ 90.3	$ 52.8	58.5 %
Platform and usage-based fee revenue	36.1	30.8	5.3	17.2 %
Revenue	$ 179.2	$ 121.1	$ 58.1	48.0 %

Transaction revenue was $143.1 million for the six months ended June 30, 2023, compared to $90.3 million for the six months ended June 30, 2022, an increase of $52.8 million or 58.5%. The increase in transaction revenue was primarily driven by growth in transaction payment volumes, from both our existing clients and new clients added during the six months ended June 30, 2023 as well as the addition of Cohort Go transaction products during the six months ended June 30, 2023. We experienced strong growth in payment volume across all regions and verticals during the period. Total payment volume increased approximately 39% during the six months ended June 30, 2023 to $9.8 billion. Our marketing services revenue decreased as certain partners are providing less incentives to prioritize their payment method over other transactions compared to prior periods.

Platform and usage-based fee revenue was $36.1 million for the six months ended June 30, 2023, compared to $30.8 million for the six months ended June 30, 2022, an increase of $5.3 million or 17.2%. The increase in platform and usage-based fee revenue was driven by the Cohort Go acquisition, which we completed in 2022.

Payment Processing Services Costs

Payment processing services costs were $67.7 million for the six months ended June 30, 2023, compared to $46.1 million for the six months ended June 30, 2022, an increase of $21.6 million or 46.9%. The increase in payment processing services costs is correlated with the increase in total payment volume of 39% over the same period as well as increased use of credit cards, which have higher processing costs.

Technology and Development

Technology and development expenses were $30.5 million for the six months ended June 30, 2023, compared to $24.2 million for the six months ended June 30, 2022, an increase of $6.3 million or 26.0%. The increase in technology and development expenses was primarily driven by an increase in personnel costs, stock-based compensation expense and amortization expense. Personnel costs were $19.2 million for the six months ended June 30, 2023, compared to $15.3 million for the six months ended June 30, 2022, an increase of $3.9 million or 25.5%. The increase in personnel costs was primarily driven by an increase in headcount within our technology and development teams and retention bonuses. Stock-based compensation expense was $4.0 million for the six months ended June 30, 2023, compared to $2.2 million for the six months ended June 30, 2022, an increase of $1.8 million or 81.8%. The increase in stock-based compensation expense is attributable to equity grants awarded to existing and new FlyMates. Amortization of intangible assets was $3.8 million for the six months ended June 30, 2023, compared to $3.1 million for the six months ended June 30, 2022, an increase of $0.7 million or 22.6%. The increase in amortization expense was primarily due to increase in the purchase of property and equipment and acquired relationships related to the Cohort Go acquisition.

Selling and Marketing

Selling and marketing expenses were $51.7 million for the six months ended June 30, 2023, compared to $36.5 million for the six months ended June 30, 2022, an increase of $15.2 million or 41.6%. The increase in selling and marketing expenses was primarily driven by an increase in personnel costs, professional fees, stock-based compensation expense, amortization expense, other costs and software and hosting expenses. Personnel costs were $27.7 million for the six months ended June 30, 2023, compared to $21.2 million for the six months ended June 30, 2022, an increase of $6.5 million or 30.7%. The increase in personnel costs was primarily driven by an increase in headcount within our selling and marketing teams and commissions earned on sales during the period. Professional fees were $8.6 million for the six months ended June 30, 2023, compared to $3.5 million for the six months ended June 30, 2022, an increase of $5.1 million or 145.7%. The increase in professional fees was due to increases in third party commissions. Stock-based compensation expense was $5.7 million for the six months ended June 30, 2023, compared to $3.5 million for the six months ended June 30, 2022, an increase of $2.2 million or 62.9%. The increase in stock-based compensation expense is attributable to equity grants awarded to existing and new FlyMates. Amortization of intangible assets was $2.5 million for the six months ended June 30, 2023, compared to $1.9 million for the six months ended June 30, 2022, an increase of $0.6 million or 31.6%. The increase in amortization expense was due to acquired customer relationships related to the Cohort Go acquisition. Other costs were $0.9 million for the six months ended June 30, 2023, compared to $0.3 million for the six months ended June 30, 2022, an increase of $0.6 million or 200.0%. The increase in other costs is primarily due to increase in uncollectible receivables from customers. Software and hosting expenses were $1.1 million for the six months ended June 30, 2023, compared to $0.7 million for the six months ended June 30, 2022, an increase of $0.4 million or 57.1%. The increase in software and hosting expenses was primarily related to increased hosting fees based on payment volumes growth and additional software needs based on headcount growth.

General and Administrative

General and administrative expenses were $52.7 million for the six months ended June 30, 2023, compared to $38.8 million for the six months ended June 30, 2022, an increase of $13.9 million or 35.8%. The increase in general and administrative expenses was primarily driven by the increase in personnel costs, stock-based compensation expense, other costs, professional fees, change in the fair value of contingent consideration and software and hosting expenses. Personnel costs were $20.7 million for the six months ended June 30, 2023, compared to $15.5 million for the six months ended June 30, 2022, an increase of $5.2 million or 33.5%. The increase in personnel costs was primarily driven by an increase in headcount and bonuses. Stock-based compensation expense was $10.3 million for the six months ended June 30, 2023, compared to $8.2 million for the six months ended June 30, 2022, an increase of $2.1 million or 25.6%. The increase in stock-based compensation expense is attributable to equity grants awarded to existing and new FlyMates. Other costs were $3.5 million for the six months ended June 30, 2023, compared to $1.5 million for the six months ended June 30, 2022, an increase of $2.0 million or 133.3%. The increase in other costs was primarily due to increased hedging fees related to an increase in total payment volume and indirect taxes recorded during the period. Professional fees were $7.3 million for the six months ended June 30, 2023, compared to $5.5 million for the six months ended June 30, 2022, an increase of $1.8 million or 32.7%. The increase in professional fees was due to increased legal, consulting and audit fees associated with being a public company. The change in the fair value of contingent consideration related to acquisitions was $0.4 million for the six months ended June 30, 2023, compared to $(1.0) million for the six months ended June 30, 2022, an increase of $1.4 million or 140.0%. This $0.4 million of contingent consideration cost for the six months ended June 30, 2023 was associated with the Cohort Go acquisition, while the benefit in the six months ended June 30, 2022 represented an adjustment to the WPM contingent consideration in that period. Software and hosting expenses were $3.8 million for the six months ended June 30, 2023, compared to $2.6 million for the six months ended June 30, 2022, an

increase of $1.2 million or 46.2%. The increase in software and hosting expenses was primarily related to increased hosting fees based on payment volumes growth and additional software needs based on headcount growth.

Interest Expense

Interest expense was $0.2 million for the six months ended June 30, 2023, compared to $0.5 million for the six months ended June 30, 2022, a decrease of $0.3 million or 60.0%. On October 28, 2022, we repaid the $25.9 million outstanding under our Revolving Credit Facility, which resulted in no interest expense on debt for the six months ended June 30, 2023. Interest expense for the six months ended June 30, 2023 consists primarily of amortization of debt issuance cost and debt discount from our previous LSA.

Interest Income

Interest income was $3.9 million for the six months ended June 30, 2023, compared to $0.2 million for the for the six months ended June 30, 2022, an increase of $3.7 million or 1850.0%%. The increase in interest income was due to the Company's investment in interest bearing accounts during the second quarter of 2022.

Gain (loss) from Remeasurement of Foreign Currency

Gain (loss) from remeasurement of foreign currency was $0.7 million for the six months ended June 30, 2023, compared to $(7.6) million for the six months ended June 30, 2022, an increase of $8.3 million or 109.2%. The decrease was primarily the result of the remeasurement of foreign currency transactions into the British pound sterling and impact of fluctuations in exchange rates during respective remeasurement periods.

Provision for Income Taxes

Provision for income taxes was $1.5 million for the six months ended June 30, 2023, compared to $1.6 million for the six months ended June 30, 2022, a decrease of $0.1 million or (6.3)%. The income tax provision for the six months ended June 30, 2023 and 2022 was primarily attributable to activity in our foreign subsidiaries and U.S. state taxes. Our effective tax rate was (8.0)% for the six months ended June 30, 2023 compared to (4.9)% for the six months ended June 30, 2022.

Liquidity and Capital Resources

Since inception, we have financed operations primarily through proceeds received from sales of equity securities, credit facilities and payments received from our clients as further detailed below.

As of June 30, 2023, our principal source of liquidity is cash and cash equivalents of $328.1 million. Cash equivalents is comprised primarily of money market funds.

We believe that our existing cash will be sufficient to support our expected working capital needs and material cash requirements for at least the next 12 months from the issuance of these condensed consolidated financial statements. Our future capital requirements will depend on many factors, including our revenue growth rate, the timing and the amount of cash received from clients, the expansion of sales and marketing activities, the timing and extent of spending to support development efforts, the price at which we are able to purchase public cloud capacity, expenses associated with our international expansion, the introduction of platform enhancements, and the continuing market adoption of our platform. In the future, we may enter into arrangements to acquire or invest in complementary businesses, products, and technologies. We may be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, results of operations, and financial condition.

Cash Flows

The following table sets forth a summary of our cash flow information for the periods presented:

(in millions)	Six Months Ended June 30, 2023		Six Months Ended June 30, 2022	
Net cash used in operating activities	$	(25.7)	$	(27.6)
Net cash used in investing activities		(3.5)		(3.6)
Net cash provided by (used in) financing activities		5.7		(1.8)
Effect of exchange rate changes on cash and cash equivalents		0.3		6.2
Net decrease in cash, cash equivalents and restricted cash	$	(23.1)	$	(26.8)

Operating Activities

Net cash used in operating activities consists of net loss adjusted for certain non-cash items and changes in other assets and liabilities.

During the six months ended June 30, 2023, cash used in operating activities of $25.7 million was primarily the result of net loss of $20.5 million adjusted for non-cash expenses of $28.7 million, which primarily included stock-based compensation expenses of $20.0 million, depreciation and amortization of $7.9 million, provision for uncollectible accounts of $0.6 million, offset by a deferred tax benefit of $0.6 million and $33.8 million related to changes in our operating assets and liabilities.

During the six months ended June 30, 2022, cash used in operating activities of $27.6 million was primarily the result of net loss of $33.9 million adjusted for non-cash expenses of $19.1 million, which primarily included stock-based compensation expenses of $13.9 million, depreciation and amortization of $5.8 million, and change in fair value of contingent consideration of $(1.0) million, offset by $12.7 million related to changes in our operating assets and liabilities.

Investing Activities

During the six months ended June 30, 2023, cash used in investing activities of $3.5 million was the result of $2.8 million of capitalization of internally developed software costs and $0.7 million of purchase of property and equipment.

During the six months ended June 30, 2022, cash used in investing activities of $3.6 million was the result of $2.9 million of capitalization of internally developed software costs and $0.7 million of purchase of property and equipment.

Financing Activities

During the six months ended June 30, 2023, cash provided by financing activities of $5.7 million was the result of proceeds from exercise of stock options of $6.0 million and proceeds from issuance of stock under the ESPP of $0.9 million, offset by payments for contingent consideration of $1.2 million related to our acquisition of Cohort Go.

During the six months ended June 30, 2022, cash used in financing activities of $1.8 million was the result of payments for contingent consideration of $3.3 million related to our acquisition of Simplee. and payments of tax withholdings for net settled stock option exercises of $0.8 million, offset by $2.3 million proceeds from the exercise of stock options.

As of June 30, 2022, we had $25.9 million of outstanding indebtedness under the Revolving Credit Facility. On October 28, 2022, we repaid the $25.9 million outstanding under the Revolving Credit Facility. As of June 30, 2023, we had $0 of outstanding indebtedness under the Revolving Credit Facility. Following the repayment, we continue to have access to a total commitment of $50.0 million under the Revolving Credit Facility. On June 23, 2023, the Company executed the First Amendment to the Revolving Credit Facility to transition from the LIBOR benchmark rate to the SOFR reference rate effective June 30, 2023. The Revolving Credit Facility consists of ABR loans or Eurodollar Borrowings, at our option. In accordance with the First Amendment, ABR loans bear interest at the ABR plus the applicable rate. Eurodollar Borrowings bear interest at the Adjusted Term SOFR plus the applicable rate. The ABR rate is based on the greatest of (a) the Prime Rate (b) the Federal Funds Effective Rate plus 1/2 of 1% and (c) the Adjusted Term SOFR for a one-month interest period plus 1%. The Adjusted Term SOFR is based on (a) the Term SOFR plus (b) the applicable spread adjustment ranging from 0.11448% to 0.71513% depending on the length of the SOFR interest period multiplied by (c) the Statutory Reserve Rate. The applicable rate is based upon the Company’s liquidity as of the most recent consolidated financial information and ranges from 0.75% to 2.25%. Prior to the First Amendment, ABR loans borne interest at the ABR plus the applicable rate. Eurodollar Borrowings borne interest at the Adjusted LIBOR plus the applicable rate. ABR rate was based on the greatest of (a) the Prime Rate (b) the Federal Funds Effective Rate plus 1/2 of 1% and (c) the Adjusted LIBOR for a one-month interest period plus 1%. The adjusted LIBOR was based on (a) the LIBOR for such interest period multiplied by (b) the Statutory Reserve Rate. The applicable rate was based upon the Company’s liquidity as of the most recent consolidated financial information and ranged from 0.75% to 2.25%. The

Revolving Credit Facility incurs a commitment fee ranging from 0.25% to 0.35% based upon our liquidity as of the most recent consolidated financial information assessed on the average undrawn portion of the available commitment.

Critical Accounting Policies

Our condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q are prepared in accordance with GAAP. The preparation of our condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as the reported revenue generated, and reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting policies as compared to the critical accounting policies and estimates described in the *Management's Discussion and Analysis of Financial Condition and Results of Operations* section of our Annual Report on Form 10-K for the year ended December 31, 2022.

Recently Adopted Accounting Pronouncements

We have reviewed all recently issued standards and have determined that, other than as disclosed in *Note 1 - Business Overview and Summary of Significant Accounting Policies* to our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q, such standards are not expected to have a material impact on our consolidated financial statements or do not otherwise apply to our operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have operations both within the United States and globally, and we are exposed to market risks in the ordinary course of our business, including foreign currency fluctuations and the effects of interest rate changes. Information relating to quantitative and qualitative disclosures about these market risks is described below.

Interest Rate Risk

Our Revolving Credit Facility consists of ABR loans or Eurodollar Borrowings, at our option.

On June 23, 2023, the Company executed the First Amendment to its Revolving Credit Facility to transition from the LIBOR benchmark rate to the SOFR benchmark rate effective June 30, 2023. In accordance with the First Amendment, ABR loans bear interest at the ABR plus the applicable rate. Eurodollar Borrowings bear interest at the Adjusted Term SOFR plus the applicable rate. The ABR rate is based on the greatest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 1/2 of 1%, or (c) the Adjusted Term SOFR for a one-month interest period, plus 1%. The Adjusted Term SOFR is based on (x) the Term SOFR, plus (y) the applicable spread adjustment ranging from 0.11448% to 0.71513% depending on the length of the SOFR interest period, multiplied by (z) the Statutory Reserve Rate. The applicable rate is based upon our liquidity as of the most recent consolidated financial information and ranges from 0.75% to 2.25%.

Prior to the First Amendment, ABR loans borne interest at the ABR plus applicable rate. Eurodollar Borrowings borne interest at the Adjusted LIBOR plus the applicable rate. The ABR rate was based on the greatest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 1/2 of 1%, or (c) the Adjusted LIBOR for a one-month interest period, plus 1%. The adjusted LIBOR was based on (x) the LIBOR, multiplied by (y) the Statutory Reserve Rate. The applicable rate was based upon our liquidity as of the most recent consolidated financial information and ranged from 0.75% to 2.25%.

The Revolving Credit Facility incurs a commitment fee ranging from 0.25% to 0.35% based upon our liquidity as of the most recent consolidated financial information assessed on the average undrawn portion of the available commitment.

As of June 30, 2023 and December 31, 2022, there was no outstanding indebtedness under the Revolving Credit Facility. An immediate 10% increase or decrease in interest rates would not have a material effect on our financial position, results of operations or cash flows.

Foreign Currency Exchange Risk

For our cross-border payments, we have short term foreign currency exchange exposure, typically between one and four days. Our cross-border payment service allows our client's customers to use their local currency to pay our clients. When a client's customer books a cross-border payment in the customer's local currency, we provide an amount to be paid to the client in that local currency based on the foreign exchange rate then in effect. The client's customer then has a certain amount of time to complete payment—typically one to four days—that may differ depending on the payment method selected. When our client's customer makes the payment and we process these funds to our clients through our global payment network, the actual exchange rate may differ from the exchange rate that was initially used to calculate the amount payable by the client's customer due to foreign exchange rate fluctuations. The amount our client's customers pay in their local currency is not adjusted for changes in foreign exchange rates between booking the transaction and the date the funds are paid and converted. If the value of the currency used by the client's customer weakens relative to the currency in which funds are remitted to our clients, we may be required to cover the shortfall in remitted funds. This could have an unfavorable effect on our cash flows and operating results. We have been leveraging our in-house currency hedging algorithms since 2014, including entering into non-deliverable forward foreign currency contracts, to mitigate the volatility related to fluctuations in the foreign exchange rates.

Our cash flows and operating results may also be impacted by fluctuations in foreign currency exchange rates between the U.S. Dollar and various currencies, in particular the British Pound. The value of our revenue and profits in local currencies may be worth more or less in U.S. Dollars due to a strengthening or weakening, respectively, of those currencies against the U.S. Dollar. During the quarter ended June 30, 2023, as the U.S. Dollar strengthened against several currencies, including the British Pound, relative to the same period in the prior year, these foreign exchange impacts reduced our reported revenue in U.S. Dollars by approximately $1.2 million compared to the quarter ended June 30, 2022 on a constant currency basis.

Fluctuations in foreign currency exchange rates may also impact the value of assets and liabilities denominated in currencies other than the functional currencies of our entities. Our reporting currency and the functional currency of our

subsidiaries, with the exception of our U.K. and Australian subsidiaries, is the U.S. Dollar. The functional currency for our U.K. and Australian subsidiaries is the local currency, or British Pound and Australian Dollar, respectively. Financial statements of our foreign subsidiaries are translated from local currency into U.S. Dollars using exchange rates at the balance sheet date for assets and liabilities, and average exchange rates in effect during the period for revenue and expenses. Resulting translation adjustments are included as a component of accumulated other comprehensive income (loss) in our condensed consolidated balance sheets. Gains and losses from the remeasurement of foreign currencies into functional currencies are recognized in the condensed consolidated statements of operations and comprehensive loss. A potential change in foreign exchange rates of 10% from such remeasurement would have impacted loss before income taxes by approximately $12.5 million and $10.9 million at June 30, 2023 and December 31, 2022, respectively.

Inflation Risk

Inflation did not have a material effect on our cash flows and results of operations during the three or six months ended June 30, 2023. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through increase in prices of our product offerings.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our Chief Executive Officer and Chief Financial Officer (our Principal Executive Officer and Principal Financial and Accounting Officer, respectively), have evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2023. The term “disclosure controls and procedures,” as defined in Rules 13a15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2023, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, including patent, commercial, product liability, employment, class action, whistleblower, and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. We are not currently a party to any legal proceedings that we believe to be material, individually or in the aggregate, to our business or condensed consolidated financial statements. The results of any future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

In the course of implementing geolocation data-based sanctions screening measures, the Company identified certain payments which, based on geolocation data, appear to have been initiated from Cuba, Iran, or Syria, in potential violation of applicable sanctions regimes. Although Flywire continues to evaluate whether these transactions constitute potential violations of OFAC sanctions (including whether certain of these payments may have been authorized by general licenses or license exemptions under the relevant sanctions regulations), in August 2023, Flywire made a voluntary submission to OFAC to report the potential violations. Based upon the results of the internal investigation completed to date, the Company does not believe that the amount of any loss incurred as a result of this matter would be material to its business, financial condition, results of operations or cash flows.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. Before deciding whether to invest in shares of our common stock, you should consider carefully the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our condensed consolidated financial statements and the accompanying notes included elsewhere in this Quarterly Report on Form 10-Q. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. If any of the following risks actually occur, our business, financial condition, liquidity, operating results, and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment. See “Special Note Regarding Forward-Looking Statements.”

Risk Factors Summary

The summary of risks below is intended to provide an overview of the risks we face and should not be considered a substitute for the more fulsome risk factors discussed immediately following this summary.

Risks Related to Our Business and Industry

- We have a history of operating losses and may not achieve or sustain profitability in the future.
- We have a short operating history at our current scale in a rapidly evolving industry.
- We may experience quarterly fluctuations in operating results.
- We may be unable to retain our current clients, attract new clients, and increase the number of our clients’ customers that use our solutions or sell additional functionality to our clients.
- Efforts to attract new clients may be unsuccessful.
- We may be unable to expand our direct and channel sales capabilities, grow our marketing reach and increase sales productivity.
- We expect our revenue mix to vary over time, which could affect our gross profit, gross margin and results of operations.
- Our business could be adversely affected if our clients and their customers are not satisfied with the timing or quality of implementation services provided by us or our partners.

- Our financial and operating results are subject to seasonality and cyclicality.
- We are exposed to fluctuations in foreign currency exchange rates that could materially and adversely affect our cash flows and results of operations.
- Certain of our key performance indicators are subject to inherent challenges in measurement.
- Our business depends, in large part, on our proprietary network of global, regional, and local banking partners and our relationships with other third parties.
- Our markets are highly competitive.
- The estimates of market opportunity and our ability to capture a meaningful share of this payment volume may prove to be inaccurate.
- Our education business may be adversely affected by decreases in enrollment or tuition, or increased operating expenses for our clients.
- The healthcare industry is rapidly evolving.
- Our travel business may be sensitive to events affecting the travel industry in general.
- We may be unable to enter or expand into new verticals, including our relatively new business-to-business (B2B) payment vertical.
- There could be consolidation in the payment processing or enablement industry.
- We may be adversely impacted by worldwide global economic and political instability._

Risks Related to Our Operations

- We may not be able to scale our business quickly enough to meet our growing client base.
- We enable the transfer of large sums of funds to our clients daily and are subject to the risk of errors.
- Volatility in the banking and financial services sectors may impact our bank partnerships and relationships, which could adversely affect our operations and liquidity.
- Our management of our operating funds and those of our clients may be reliant on a limited number of our banking partners and other financial institutions.
- We may be unable to maintain or expand our ability to offer a variety of local and international payments.
- Improper or unauthorized use of, disclosure of, or access to personal or sensitive data could harm our reputation.
- We may fail to adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, and changing business needs, requirements, or preferences.
- Changes to payment card networks fees or rules could harm our business.
- If we lose key members of our management team or are unable to attract and retain executives and employees we need to support our operations and growth, our business may be harmed.

Risks Related to Our Legal, Regulatory and Compliance Landscape

- Payments and other financial services-related regulations and oversight are material to our business.
- We are subject to governmental laws and requirements regarding economic and trade sanctions, anti-money laundering (AML), countering the financing of terrorism (CFT) and those applicable to a money service business (MSB).

- We are subject to governmental regulation and other legal obligations, particularly those related to privacy, data protection, information security, anti-corruption, anti-bribery, and similar laws.

Risks Related to Being a Public Company

- We may fail to develop and maintain proper effective internal control over financial reporting.
- Estimates relating to our critical accounting policies may prove to be incorrect.
- We will continue to incur increased costs as a public company.

Risks Related to Ownership of Our Common Stock

- Raising additional capital may cause dilution to our existing stockholders, restrict our operations, or require us to relinquish rights to our intellectual property on unfavorable terms.
- Securities and industry analysts may not publish or publish inaccurate or unfavorable research about our business.

Risks Related to Our Business and Industry

We have a history of operating losses and may not achieve or sustain profitability in the future.

We were incorporated in 2009 and have experienced net losses from our operations since inception. We generated net losses of $39.3 million and $28.1 million for the years ended December 31, 2022 and 2021, respectively, and $20.5 million during the six months ended June 30, 2023. In addition, as of June 30, 2023, we had an accumulated deficit of $185.7 million. We have experienced significant revenue growth in recent periods and we are not certain whether or when we will obtain a high enough volume of revenue to sustain or increase our growth or achieve or maintain profitability in the future. We also expect our costs and expenses to increase in future periods, which could negatively affect our future operating results if our revenue does not increase. In particular, we intend to continue to expend significant funds to further develop our solutions, including introducing new functionality, and to expand our marketing programs and sales teams to drive new client adoption, expand strategic partner integrations, and support international and industry expansion. Our operating results are also impacted by the mix of our revenue generated from our different revenue sources, which include transaction revenue and platform and usage-based fee revenue. Changes in our revenue mix from quarter to quarter, including those derived from cross-border or domestic currency transactions, will impact our margins, and we may not be able to grow our revenue margin adequately to achieve or sustain profitability. In addition, the mix of payment methods utilized by our clients’ customers may have an impact on our margins given that our costs associated with certain payment methods, such as credit cards, are higher than other payment methods accepted by our solutions, such as bank transfers. Due to the cross-border nature of much of our business, fluctuations in foreign currency exchange rates, slowdowns in international mobility and other regional considerations may affect our operating results. We will also face increased compliance and security costs associated with growth, the expansion of our client base, and being a public company, including our transition to a large accelerated filer status as of December 31, 2022. Our efforts to grow our business may be costlier than we expect, and we may not be able to increase our revenue enough to offset our increased operating expenses. We may incur significant losses in the future for several reasons, including the other risks described herein, and unforeseen expenses, difficulties, complications, delays, and other unknown events. If we are unable to achieve and sustain profitability, the value of our business and common stock may significantly decrease.

If the assumptions we use to plan our business are incorrect or change in reaction to changes in our markets, or if we are unable to maintain consistent revenue or revenue growth, it may be difficult to achieve and maintain profitability. Our revenue from any prior quarterly or annual periods should not be relied upon as an indication of our future revenue or revenue growth or growth in volume of payments processed.

In addition, we expect to continue to expend substantial management time, financial and other resources on:

- sales, marketing, relationship management and client support, including an expansion of our sales organization, and new client support and payer retention initiatives;
- our technology infrastructure, including systems architecture, scalability, availability, performance, and security;
- our technology development, including investments in our technology development team and the development of new solutions and new functionality;

- expanding into more international markets;
- attracting new clients and increasing the number of our clients' customers that use our solutions;
- acquisitions or strategic investments;
- regulatory compliance and risk management; and
- general administration, including increased insurance, legal and accounting expenses associated with being a public company.

These investments may not result in increased revenue growth in our business. If we are unable to increase our revenue at a rate sufficient to offset the expected increase in our costs, our business, financial position and operating results will be harmed, and we may not be able to achieve or maintain profitability over the long term.

We have a short operating history at our current scale in a rapidly evolving industry and, as a result, our past results may not be indicative of future operating performance.

We have a short history operating at our current scale in a rapidly evolving industry that may not develop in a manner favorable to our business. This relatively short operating history makes it difficult to assess our future performance with certainty. You should consider our business and prospects in light of the risks and difficulties we may encounter.

Our future success will depend in large part upon our ability to, among other things:

- cost-effectively acquire new clients and retain existing clients;
- increase our market share;
- avoid pricing pressure on our solutions which would compress our margins;
- effectively market our solutions;
- enhance our existing solutions and develop new solutions;
- increase awareness of our brand and maintain our reputation;
- our ability to offer seamless experience for our clients and their customers, including all user facing attributes ranging from the user interface to client and customer support;
- anticipate and respond to microeconomic and macroeconomic changes;
- expand our solutions and geographic reach, including with respect to B2B and travel payments;
- anticipate and effectively respond to changing trends and the preferences of clients and their customers;
- compete effectively;
- avoid interruptions in our business from information technology (IT) downtime, cybersecurity breaches, or labor stoppages;
- effectively manage our growth;
- effectively manage foreign currency exchange risk;
- hire, integrate, and retain talented people at all levels of our organization;
- maintain the quality of our technology infrastructure;
- compliance with multiple, conflicting and changing governmental laws and regulations, including with respect to employment, tax, competition, workplace and environmental, social and governance (ESG) matters;

- global pandemics, such as COVID-19, or other public health emergencies;
- retain our existing proprietary global network of banking and other payment partners and add new banking and other payment partners to scale our business; and
- retain our existing technology partners that allow us to provide alternative payment methods and add new technology partners to scale our business.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above as well as those described elsewhere in this section titled “Risk Factors”, our business and operating results will be adversely affected.

If we are unable to retain our current clients, attract new clients and increase the number of our clients’ customers that use our solutions or sell additional functionality to our clients, our revenue growth and operating results will be adversely affected.

To increase our revenue, in addition to acquiring new clients, we must continue to retain existing clients, increase the volume of payments made by our clients’ customers and sell additional functionality to our clients. We expect to derive a significant portion of our revenue from the renewal of existing clients’ contracts and sales of additional features and solutions to existing clients. As the market for our solutions matures, solutions evolve, and competitors introduce lower cost or differentiated products or services that are perceived to compete with our solutions, our ability to attract (and our clients’ ability to attract) new customers and maintain our current client base and clients’ customer usage could be hindered. As a result, we may be unable to retain existing clients or increase the usage of our solutions by them or their customers, which would have an adverse effect on our business, revenue, gross profit, gross margins, and other operating results, and accordingly, on the trading price of our common stock.

As the market for our solutions matures, or as new or existing competitors introduce new products or services that compete with our solutions, we may experience pricing pressure. This competition and pricing pressure could have an adverse effect on our ability to retain existing clients or attract new clients at prices that are consistent with our pricing model, operating budget and expected operating margins. In particular, it has become more common in the education sector for competitors to offer generous revenue sharing arrangements for clients we target. Our business could be adversely affected if clients or their customers perceive that features incorporated into alternative products reduce the need for our solutions or if they prefer to use competitive services. If we are unable to attract new clients and increase the number of our clients’ customers that use our solutions, our revenue growth and operating results will be adversely affected. Further, in an effort to attract new clients and increase usage by their customers, we may need to offer simpler, lower-priced payment options, which may reduce our revenue.

Our ability to sell additional functionality to our existing clients may require more sophisticated and costly sales efforts, especially for our larger clients with more senior management and established accounts receivable solutions. Similarly, the rate at which our clients deploy additional solutions from us depends on several factors, including general economic conditions, the availability of client technical personnel to implement our solutions, and the pricing of additional functionality. If our efforts to sell additional functionality to our clients are not successful, our business and growth prospects would suffer.

Contracts with our clients generally have a stated initial term of three years, are not subject to termination for convenience and automatically renew for one-year subsequent terms. Our clients may negotiate terms less advantageous to us upon renewal, which may reduce our revenue. If our clients fail to renew their contracts, renew their contracts upon terms less favorable to us or at lower fee levels or fail to purchase new solutions from us, our revenue may decline or our future revenue growth may be constrained. Should any of our clients terminate their relationship with us after implementation has begun, we would not only lose our time, effort and resources invested in such implementation, but we would also have lost the opportunity to leverage those resources to build a relationship with other clients over that same period of time.

We may experience quarterly fluctuations in our operating results, as well as our key metrics, due to a number of factors which make our future results difficult to predict and could cause our operating results to fall below expectations or our guidance.

Our operating results, and key metrics, may fluctuate due to a variety of factors, many of which are outside of our control. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Our past results should not be relied on as an indication of our future performance. If our revenue or operating results fall below the

expectations of investors or securities analysts or below any guidance we may provide to the market, the price of our common stock could decline substantially.

Our operating results have varied in the past and are expected to continue to do so in the future. In addition to other risk factors listed in this section titled "Risk Factors", factors that may affect our quarterly operating results, business and financial condition include the following:

- demand for our solutions and the number, volume and timing of payments processed;
- timing of tuition payments;
- market acceptance of our current and future solutions;
- our revenue mix in a particular quarter;
- the mix of payment methods and currencies utilized by our clients' customers in a particular quarter;
- a slowdown in spending on IT and software by our current and/or prospective clients;
- sales cycles and performance of our direct and indirect sales force;
- budgeting and implementation cycles of our current or potential clients;
- foreign currency exchange rate fluctuations;
- the management, performance and expansion of our domestic and international operations;
- the rate of renewals of contracts with our clients;
- changes in the competitive dynamics of our markets;
- our ability to control and predict costs, including our operating expenses;
- clients delaying purchasing decisions, including in anticipation of new products or product enhancements by us or our competitors;
- the seasonality of our business;
- failure to successfully manage or integrate any acquisitions, including our acquisitions of WPM and Cohort Go;
- the outcome or publicity surrounding any pending or threatened lawsuits;
- general economic and political conditions in our domestic and international markets, including inflation and fluctuations in supply chains;
- changes in the level of scrutiny applied by regulators and investors on our ESG program;
- unexpected events, including those resulting from climate change or geopolitical events;
- expected or actual extended federal government shutdowns, partisan gridlock that results in the inability of Congress to take action or changes to government, which among other things could impact visa issuances and educational financial aid payments; and
- global pandemics, such as COVID-19, or other public health emergencies and the responses thereto.

In addition, we may in the future experience fluctuations in our gross and operating margins due to changes in the mix of our domestic and international payments and the mix of payment methods, including an increase in the use of credit cards, and currencies used by our clients' customers to make payments.

Based upon the factors described above and those described elsewhere in this section titled “Risk Factors”, we have a limited ability to forecast the amount and mix of future revenues and expenses, which may cause our operating results to fall below our estimates or the expectations of public market analysts and investors.

We expect our revenue mix to vary over time, which could affect our gross profit, gross margin and results of operations.

We expect our revenue mix to vary over time due to a number of factors. Shifts in our business mix from quarter to quarter could produce substantial variation in revenue recognized. Further, our gross profit, gross margins and results of operations could be affected by changes in revenue mix and costs, together with numerous other factors, including payment methods and currencies, pricing pressure from competitors, increases in credit card usage on our solutions and associated network fees, changes in payment volume across verticals and the portion of such payment volume for which we perform foreign exchange. Any one of these factors or the cumulative effects of certain of these factors may result in significant fluctuations in our gross profit, gross margin and results of operations. This variability and unpredictability could result in our failure to meet internal expectations or those of securities analysts or investors for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could decline.

If our efforts to attract new clients and increase the number of our clients’ customers that use our solutions are unsuccessful, our revenue growth and operating results will be adversely affected.

Our future growth and profitability will depend in large part upon the effectiveness and efficiency of our efforts to attract new clients and increase the number of our clients’ customers that use our solutions. While we intend to dedicate resources to attracting new clients and increasing the number of our clients’ customers that use our solutions, our ability to do so depends in large part on the success of these efforts and the success of the marketing channels we use to promote our solutions. Our marketing channels include search engine optimization, search engine marketing, account-based direct marketing campaigns, industry events and association marketing relationships. If any of our current marketing channels become less effective, if we are unable to continue to use any of these channels, if the cost of using these channels were to significantly increase or if we are not successful in generating new channels, we may not be able to attract new clients in a cost-effective manner or increase the number of our clients’ customers that use our solutions. If we are unable to recover our marketing costs through increases in the number of clients and in the number of our clients’ customers that use our solutions, or if we discontinue our marketing efforts, it could have a material adverse effect on our business, prospects, results of operations, and financial condition.

If we are unable to expand our direct and channel sales capabilities, grow our marketing reach and increase sales productivity, we may not be able to generate increased revenues.

We believe that our future growth will depend on the continued development of our direct sales force and its ability to obtain new clients and to manage our existing client base. Our ability to increase our client base and achieve broader market acceptance of our solutions will depend to a significant extent on our ability to expand our sales and marketing organizations, and to deploy our sales and marketing resources efficiently. We intend to continue to increase our number of direct sales professionals and to expand our relationships with new strategic channel partners. These efforts will require us to invest significant financial and other resources. New hires require training and take time to achieve full productivity. Similarly, new channel partnerships often take time to develop and may never yield results, as they require new partners to understand the services and solutions we offer, and how to position our value within the market. We cannot be certain that recent and future new hires or partner relationships will become as productive as necessary or that we will be able to hire enough qualified individuals or build effective channel sales in the future. If we are unable to hire, develop, integrate, and retain talented and effective sales personnel, if our new and existing sales personnel are unable to achieve desired productivity levels, or if our sales, channel strategy and marketing programs and advertising are not effective, we may not be able to expand our business and grow our revenue, which may harm our business, operating results and financial condition.

Our business could be adversely affected if our clients or their customers are not satisfied with the timing or quality of implementation services provided by us or our partners.

Our business depends on our ability to satisfy our clients and their customers with respect to our solutions as well as the services that are performed to help our clients and their customers use the features and functions of our solutions. Services are usually performed by us, and are also on occasion provided together with a third-party partner. If our clients or their customers are not satisfied with the functionality of our solutions or the services that we or a third-party partner provide, such dissatisfaction could damage our ability to retain our current clients or expand our clients’ or their

customers' use of our solutions. In addition, any negative publicity and reviews that we may receive which is related to our client relationships may further damage our business and may invite enhanced regulatory scrutiny at the federal and state level in the United States as well as internationally.

Our financial and operating results are subject to seasonality and cyclicality.

Our financial and operating results are subject to seasonal trends. For example, the volume of education tuition processed typically increases in the northern hemisphere during the summer and early fall months, as well as at year end, as students and their families seek to pay tuition costs for the fall semester, the spring semester, or the entire academic year, respectively. We expect this seasonality of education tuition processing to continue and expect it to impact the amount of processing fees that we earn and the level of expenses we incur to generate tuition payment volume and process the higher volume activity in a particular fiscal quarter. During the COVID-19 pandemic, we initially observed an increasing trend of education institutions delaying tuition invoicing or extending dates for payment due to uncertainties in the academic calendar, on-campus classes or remote learning planning, as well as relief being offered to families experiencing financial challenges. However, with the abatement of the pandemic, educational institutions have, for the most part, returned to their normal billing cycles and payment due dates. Many higher education institutions have mandated full vaccination to promote normal operations and allowed students from abroad to return to their facilities.

We are exposed to fluctuations in foreign currency exchange rates that could materially and adversely affect our results of operations.

A majority of the total payment volume we have historically processed is cross-border payments denominated in many foreign currencies, which subjects us to foreign currency risk. The strengthening or weakening of the U.S. dollar versus these foreign currencies impacts the translation of our net revenues generated in these foreign currencies into the U.S. dollar. For example, during the quarter ended June 30, 2023, as the U.S. Dollar strengthened against several currencies, including the British Pound, relative to the same period in the prior year, these foreign exchange impacts reduced our reported revenue in U.S. Dollars by approximately $1.2 million compared to the quarter ended June 30, 2022 on a constant currency basis. In connection with providing our solutions in multiple currencies, we may face financial exposure if we are unable to implement appropriate hedging strategies, negotiate beneficial foreign exchange rates, or as a result of fluctuations in foreign exchange rates between the times that we set them. We also have foreign exchange risk on our assets and liabilities denominated in currencies other than the functional currency of our subsidiaries. We also incur expenses for employee compensation and other operating expenses at our non-U.S. locations in the local currency. Fluctuations in the exchange rates between the U.S. dollar and other currencies, including the recent depreciation of the Russian ruble, could result in the dollar equivalent of our expenses being higher which may not be offset by additional revenue earned in the local currency. This could have a negative impact on our reported results of operations.

Periods of instability in the Eurozone, including fears of sovereign debt defaults, and stagnant growth generally, and of certain Eurozone member states in particular, have resulted in concerns regarding the suitability of a shared currency for the region, which could lead to the reintroduction of individual currencies for member states. If this were to occur, Euro-denominated assets and liabilities would be re-denominated to such individual currencies, which could result in a mismatch in the values of assets and liabilities and expose us to additional currency risks.

As our international operations continue to grow, our risks associated with fluctuation in currency rates will become greater, and we will continue to reassess our approach to managing this risk, such as using foreign currency forward and option contracts to hedge certain exposures to fluctuations in foreign currency exchange rates. Our use of such hedging practices may not offset any, or more than a portion, of the adverse effects of unfavorable movements in foreign exchange rates. In addition, currency fluctuations or a weakening U.S. dollar can increase the costs of our international operations, and the strengthening U.S. dollar could slow international demand as solutions priced in the U.S. dollar become more expensive.

Certain of our key performance indicators are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We track certain key performance indicators, including metrics such as total payment volume, revenue less ancillary services, adjusted gross profit, adjusted gross margin and adjusted EBITDA, with internal systems and tools and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our key performance indicators, including the metrics we publicly disclose, or our estimates. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report

may not be accurate. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring these metrics across our growing client base. If our key performance indicators are not accurate representations of our business, or if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, and our operating and financial results could be adversely affected.

Our business depends, in large part, on our proprietary network of global, regional and local banking partners.

To grow our business, we will need to maintain and expand our network of global, regional and local banking partners. Our proprietary network of strategic relationships with global, regional and local banking partners is a material asset to our business, which took more than a decade to build. Establishing our strategic partner relationships, particularly with our banking partners entails extensive and highly specific efforts, with little predictability and various ancillary requirements. These partners and suppliers have contractual and regulatory requirements and conditions that we must satisfy and continue to comply with in order to continue and grow the relationships. For example, our financial institution partners generally require us to submit to an exhaustive security audit including adherence to AML policies and know-your customer (KYC) procedures. If we are not able to comply with those obligations or if our agreements with our banking partners or our network partners are terminated for any reason, we could experience service interruptions as well as delays and additional expenses in arranging new services, potentially interfering with our existing client relationships or making us less attractive to potential new clients.

Recent instability and volatility in the banking and financial services sectors, including bank failures, have increased uncertainty in the global economy and increased the risk of a global recession. Volatility in the banking and financial services sectors may adversely impact our bank partnerships and could negatively impact our business. We may face difficulty establishing or maintaining banking relationships due to instability in the global banking system and increasing regulatory uncertainty and scrutiny. If these financial institutions are subject to suspension of operations, receivership, closure or similar action, or if our banking relationships become severely limited or unavailable in a certain country, there could be temporary delays in or unavailability of services in such country that are critical to our or our clients' operations. This could potentially lead to reduced use of our platform and lower payment volume which may adversely impact our business, operating results, and financial condition.

We may not be able to attract new network partners to our existing network of global, regional and local banking partners, which could adversely affect our ability to expand to additional countries and territories and transact in additional currencies. In addition, our potential partners may choose to work with our competitors' or choose to compete with our solutions directly, which could have an adverse effect on our business, financial position, and operating results. Further, many of our network partners have greater resources than we do and could choose to develop their own solutions to replace or compete with ours. If we are unsuccessful in establishing, growing, or maintaining our relationships with network partners, our ability to compete or to grow our revenue could be impaired, and our results of operations may suffer.

Our growth depends in part on the success of our relationships with other (non-banking) third parties.

We have established relationships with a number of other companies, including financial institutions, processors, other financial services suppliers, channel sales partners, providers of electronic health records (EHR) services, implementation partners, technology and cloud-based hosting providers, and others. In order to grow our business, we will need to continue to establish and maintain relationships with these types of third parties, and negotiating and documenting relationships with them requires significant time and resources. Our competitors may be more effective in providing incentives to third parties to favor their products or services. If we are unsuccessful in establishing or maintaining our relationships with third parties, our ability to compete in the marketplace or to grow our revenues could be impaired and our operating results could suffer. Even if our strategic relationships are successful, we cannot assure you that these relationships will result in increased client usage of our solutions or increased revenues.

The markets in which we participate are competitive, and if we do not compete effectively, our operating results could be harmed.

The market for payments solutions is fragmented, competitive, and constantly evolving. Our competitors range from legacy payment methods, such as traditional bank wires, to integrated payment providers that focus on cross-border payments. With the introduction of new technologies and market entrants, we expect that the competitive environment will remain intense going forward. Our competitors that offer legacy payment methods or integrated cross-border payment platforms may develop products that compete with ours. Financial institutions that choose to enter into and compete in our market may have the operating flexibility to bundle competing solutions with other offerings, including offering them at a

lower price or for no additional cost to clients as part of a larger sale. In addition, new entrants not currently considered to be competitors may enter the market through acquisitions, partnerships, or strategic relationships. Many of our domestic and foreign competitors have greater resources, experience or more developed customer relationships than we do. For example, foreign competitors may seek to leverage local or common language relationships to cater to potential customers of our clients. There are new market entrants with innovative revenue sharing and other pricing arrangements that are able to attract customers that we compete to serve. Our competitors vary in size, breadth, and scope of the solutions offered. Some of our competitors and potential competitors have greater name recognition, longer operating histories, more established client relationships, larger marketing budgets, and greater resources than us. Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, and client requirements. For example, an existing competitor or new entrant could introduce new technology that reduces demand for our solutions.

For these reasons, we may not be able to compete successfully against our current or future competitors, and this competition could result in the failure of our solutions to continue to achieve or maintain market acceptance, any of which would harm our business, operating results, and financial condition.

Our estimates of market opportunity and our ability to capture a meaningful share of this payment volume may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.

Our market opportunity estimates, including those we have generated ourselves and our ability to capture a meaningful share of this payment volume, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any payment volumes covered by our market opportunity estimates will materialize in clients using our solutions as anticipated or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost, performance, and perceived value associated with our business and those of our competitors. Even if the market in which we compete meets the size estimates and growth forecasted, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties.

Our clients in the education sector may be adversely affected by decreases in enrollment, pressure on tuition costs, or increased operating expenses, which may reduce demand for our solutions.

We are reliant on our education clients, including colleges, universities and other education-related organizations that include language schools, boarding schools, summer programs, and others, to drive enrollment at their schools and maintain tuition costs. Factors outside of our control will affect enrollments and tuition costs, including the following:

- Reduced enrollment in higher education due to lack of funding, increases to cost of attendance or other inflationary pressure. Some institutes of higher education may close or merge with other colleges and universities. Significant reductions in student funding, through grants or loans, may reduce enrollments and decrease the payment volume we process. Potential students may also be deterred by increases in the cost of attendance.

- Government supported institutions may experience losses or reduction in public funding. Many of our clients rely considerably upon public funding or support, which may not always be available due to budget constraints.

- Changing perceptions about in-person classes. Students may reject the opportunity to attend courses in person, when online or virtual classes are offered as an option, due to growing familiarity and perceived convenience of remote learning, the lingering impact of the COVID-19 pandemic or a lower price point for online classes.

- Our clients’ rankings, reputation and marketing efforts strongly affect enrollments, none of which we control. If we fail to maintain or add clients with strong, stable reputations and rankings, they will fail to achieve consistent enrollments.

- Declines in international student enrollment. The COVID-19 pandemic, including the emergence of variants and sub-variants, mobility restrictions imposed by health authorities, and restrictions on immigration or the award of student visas can negatively impact the cross-border education industry, and schools that rely on foreign student populations, will be negatively affected or may cease operations.

- General economic conditions. Any contraction in the economy could be expected to reduce enrollment in higher education, whether by reducing funding, reducing corporate allowances for continuing education, general reductions in employment or savings or other factors.

International cross-border transaction revenue represents a significant part of our revenue; international regulations and restrictions that inhibit cross-border travel and relocation of international students, as well as ongoing political friction between China and the U.S. that have slowed the growth of Chinese students studying in the U.S. and may have resulted in changes in Chinese student education destinations, have had and may continue to have an impact on our revenue growth.

In addition, some clients' customers may find that higher education is an unnecessary investment during uncertain economic times and defer enrollment in educational institutions until the economy grows at a stronger pace, or they may turn to less costly forms of secondary education, thus decreasing our education payment volumes. A significant decrease in the payment volume and resulting revenue from clients and their customers in this market, which represents, and is expected to continue to represent for the foreseeable future, a majority of our total payment volume and revenue, would have an adverse effect on our business, operating results and financial condition.

The healthcare industry is rapidly evolving and the market for technology-enabled payment services that empower healthcare clients and their customers is relatively immature and unproven. If we are not successful in promoting the benefits of our solutions, our growth may be limited.

The market for our payment solutions is subject to rapid and significant changes. The market for technology-enabled payment services that empower healthcare clients and their customers is characterized by rapid technological change, new product and service introductions, increasing patient financial responsibility, consumerism and engagement, the ongoing shift to value-based care and reimbursement models, and the entrance of non-traditional competitors. In addition, there may be a limited-time opportunity to achieve and maintain a significant share of this market due in part to the rapidly evolving nature of the healthcare and technology industries and the substantial resources available to our existing and potential competitors. The market for technology-enabled payment services that empower healthcare clients and their customers is relatively new and unproven, and it is uncertain whether this market will achieve and sustain high levels of demand and market adoption.

In order to remain competitive, we are continually involved in a number of projects to compete with these new market entrants by developing new solutions, growing our client base and penetrating new markets. Some of these projects include the expansion of our integration capabilities and the expansion of our mobile solutions. These projects carry risks, such as cost overruns, delays in delivery, performance problems and lack of acceptance by our clients. Our integration partners may also decide to develop and offer their own patient engagement solutions that are similar to our solutions.

Our success depends on providing high-quality payment solutions that healthcare clients use to improve their financial and operational performance, allowing them to collect payments and enhance their revenue lifecycle management objectives. If we cannot adapt to rapidly evolving industry standards and technology and increasingly sophisticated and varied healthcare client and customer payment needs, our existing technology could become undesirable, obsolete or harm our reputation. We must continue to invest significant resources in our personnel and technology in a timely and cost-effective manner in order to enhance our existing solutions and introduce new high-quality solutions that existing clients and potential new clients will want. Our operating results would also suffer if our innovations are not responsive to the needs of our existing clients or potential new clients, are not appropriately timed with market opportunity, are not effectively brought to market or significantly increase our operating costs. If our new or modified product and service innovations are not responsive to the preferences of healthcare clients and their customers, emerging industry standards or regulatory changes, are not appropriately timed with market opportunity or are not effectively brought to market, we may lose existing clients or be unable to obtain new clients and our results of operations may suffer.

We believe demand for our payment solutions in the healthcare industry has been driven in large part by more patient responsibility for out-of-pocket spend, a trend towards higher deductibles for health care services, increased digitization in payments, and the tailoring of payment offers and increased patient engagement. Our success also depends to a substantial extent on the ability of our solutions to increase the volume of our clients' customers payments, and our ability to demonstrate the value of our solutions to our clients. If our existing clients do not recognize or acknowledge the benefits of our solutions or our solutions do not drive payment volume, then the market for our solutions might not develop at all, or it might develop more slowly than we expect, either of which could adversely affect our operating results. A significant decrease in the payment volume and resulting revenue from our clients and their

customers in the healthcare industry, which represents, and is expected to continue to represent for the foreseeable future, our second largest vertical by total payment volume and revenue, may have an adverse effect on our business, operating results and financial condition.

In addition, we have limited insight into trends that might develop and affect our healthcare business. We might make errors in predicting and reacting to relevant business, legal and regulatory trends and healthcare reform, which could harm our business. If any of these events occur, it could materially adversely affect our business, financial condition or results of operations.

Finally, our competitors, including major EHR providers, may have the ability to devote more financial and operational resources than we can to developing new technologies and services, including services that provide improved operating functionality, and adding features to their existing service offerings. Relationships with companies in the EHR space and business focused on revenue lifecycle management are critical to leverage if we are to add to our healthcare customer portfolio. However, intense competition and rising costs experienced by certain major EHR providers has resulted, in certain cases, in increased financial strain on these businesses, and in at least one notable instance, an action to seek bankruptcy protection. To the extent we have outstanding amounts owed to us by companies that seek bankruptcy protection, it may become difficult for us to be paid in full in a timely manner, if at all. For instance, in May 2023, Client A filed for voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code (Chapter 11). As of June 30, 2022, we had $3.8 million recorded within accounts receivable, net of allowance. Client A may take actions in its Chapter 11 proceeding to terminate or renegotiate its agreements with us and/or seek to reduce our claims for services to which we may be entitled. Many of these companies may offer products and services similar to ours and may have greater name recognition, longer operating histories, stronger and more dependent client relationships, larger marketing budgets, and greater resources than us. If successful, their development efforts could render our solutions less desirable, resulting in the loss of our existing clients or a reduction in the fees we generate from our solutions.

Our business serving clients in the travel sector may be sensitive to events affecting the travel industry in general.

Events like regional or larger scale conflicts, war or other military conflict, including the conflict between Russia and Ukraine, terrorist attacks, mass shooting incidents, natural disasters, such as hurricanes, earthquakes, fires, droughts, floods and volcanic activity, including events resulting from climate change, and travel-related health events, such as the COVID-19 pandemic, have a negative impact on the travel industry and affect travelers' behavior by limiting their ability or willingness to visit certain locations. In addition, the travel industry can be negatively impacted by adverse economic conditions in the United States and globally, including economic slowdown and inflation. We are not in a position to evaluate the net effect of these circumstances on our business as these events are largely unpredictable; however, we believe there has been negative impact to our business due to such events. Furthermore, in the longer term, our business might be negatively affected by financial pressures on or changes to the travel industry. For example, certain jurisdictions, particularly in Europe, are considering regulations intended to address the issue of "overtourism" including by restricting access to city centers or popular tourist destinations or limiting accommodation offerings in surrounding areas, such as by restricting construction of new hotels or the renting of homes or apartments. Such regulations could adversely affect travel and the volume of travel related payments that we process for our clients. The United States has implemented or proposed, or is considering, various travel restrictions and actions that could affect U.S. trade policy or practices, which could also adversely affect travel to or from the United States. If such events result in a long-term negative impact on the travel industry, such impact could have a material adverse effect on our business. The payment volume from our travel vertical represents less than 10% of our total payment volume. Because we seek to grow the payment volume and the revenue from this vertical in the future, failure to grow our payment volume and resulting revenue from this industry, may have an adverse effect on our business, operating results and financial condition.

With respect to the COVID-19 pandemic specifically, our 2020 financial results related to serving our existing travel clients and growing our client base in the travel sector were negatively impacted. During the years ended December 31, 2021 and 2022, we witnessed recoveries in our financial results and growth in revenue and payment volumes in our travel payment vertical. While improvements have been noted, we are still experiencing impacts to our travel clients. We expect the continued effects of the COVID-19 pandemic, including the emergence and spread of variants or sub-variants of COVID-19, may continue to negatively impact our business throughout 2023, but the extent and duration of such impact in the long term is largely uncertain as it is dependent on future developments that cannot be accurately predicted at this time, including, but not limited to, the emergence of variants and sub-variants, international regulations and restrictions that inhibit cross-border travel, global availability of vaccines and administration of vaccination, the rate of "herd immunity" and the impact of these and other factors on travel behavior. Our clients and their customers who are affected by the ongoing COVID-19 pandemic may continue to demonstrate changed behavior even after the COVID-19 outbreak has subsided.

If we are unable to enter or expand new client verticals, including our relatively new B2B payment vertical, or if our solutions for any new vertical fail to achieve market acceptance, our operating results could be adversely affected and we may be required to reconsider our growth strategy.

Our growth strategy is influenced, in part, on our ability to expand into new client verticals, including our relatively new B2B payment vertical. The B2B payment vertical represents a relatively new market for us, and we have limited prior experience with the key enterprise resource planning (ERP) platforms that are critical to the B2B payment vertical. Accordingly, our lack of experience in the B2B payment vertical and with the key ERP platforms may result in operational difficulties, which could cause a delay or failure to integrate and realize the benefits of entering into this vertical. In addition, B2B payments carry a higher risk profile than education or healthcare receivables, and we will be required to devote more resources to manage the increased risk inherent in these payments. Banking and other payment services partners may be more reluctant to support B2B payment flows, and countries with currency controls are less likely to permit payments of a B2B nature. The payment volume and resulting revenue from our B2B payment vertical represents, and is expected for the foreseeable future to represent, less than 10% of our total payment volume and revenue. We expect both the payment volume and the revenue from this vertical to grow over time. As such, failure to grow our payment volume and resulting revenue from our B2B payment vertical may have an adverse effect on our business, operating results and financial condition.

We may be unable to identify new verticals that meet our criteria for selecting industries that our solutions are ideally suited to address. In addition, our market validation process may not support entry into selected verticals due to our perception of the overall market opportunity or of the willingness of market participants within those verticals to adopt our solutions.

Even if we choose to enter new verticals, our market validation process does not guarantee our success. We may be unable to tailor our solutions for a new vertical or, in the event that we enter a new vertical by way of a strategic acquisition, we may be unable to leverage the acquired platform in time to take advantage of the identified market opportunity, and any delay in our time-to-market could expose us to additional competition or other factors that could impede our success. In addition, any solution we develop or acquire for a new vertical may not provide the functionality required by potential clients or their customers and, as a result, may not achieve widespread market acceptance within the new vertical. To the extent we choose to enter new verticals, whether organically or via strategic acquisition, we may invest significant resources to develop and expand the functionality of our solutions to meet the needs of customers in those verticals, which investments will occur in advance of our realization of revenue from them.

Consolidation in the payment processing or enablement industry could have a material adverse effect on our business, financial condition and results of operations.

Many payment processing or enablement industry participants are consolidating to create larger and more integrated financial processing systems with greater market power. We expect regulatory and economic conditions to result in additional consolidation in the healthcare industry in the future. As consolidation accelerates, the economies of scale of our clients' organizations may grow. If a client experiences sizable growth following consolidation, it may determine that it no longer needs to rely on us and may reduce its demand for our solutions. In addition, as payment processing providers consolidate to create larger and more integrated systems with greater market power, these providers may try to use their market power to negotiate fee reductions for our solutions. Finally, consolidation may also result in the acquisition or future development by our clients of products and services that compete with our solutions. Any of these potential results of consolidation could have a material adverse effect on our business, financial condition and results of operations.

We may be adversely affected by global economic and political instability.

As we seek to continue to expand our business, our overall performance will depend in part on worldwide economic and geopolitical conditions. Economies domestically and internationally have been affected from time to time by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, employment pressures in services sectors, volatility in the banking ecosystem or credit, equity and foreign exchange markets, bankruptcies and outbreaks of variants of COVID-19, as well as war, terrorist activity, political or social unrest, civil strife and other geopolitical uncertainty, including the effects of ongoing United States-China diplomatic and trade friction and social unrest in China, and the resulting impact on business continuity and travel, supply chain disruptions, inflation, security issues, and overall uncertainty with respect to the economy, including with respect to tariff and trade issues. To the extent that inflationary pressures and other global factors lead to an economic recession, demand for our solutions, our business and financial condition could be negatively impacted.

For example, on February 24, 2022, Russian military forces invaded Ukraine, and continued conflict and disruption in the region is likely. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as an increase in cyberattacks and espionage.

We are actively monitoring the situation in Ukraine and assessing its impact on our business, but to date have not experienced any material impact. We have no way to predict the progress or outcome of the conflict in Ukraine or its impacts in Ukraine, Russia or Belarus as the conflict, and any resulting government reactions, continue to develop beyond our control and can quickly change. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have a substantial impact on the global economy and our business for an unknown period of time. As the adverse effects of this conflict continue to develop and potentially spread, both in Europe and through the rest of the world, our customers, and customer behavior, may be negatively impacted, which could negatively affect sales and sales cycles and overall demand for our solutions. Further or prolonged impacts on the global economy could also cause businesses to curtail business expenses, which could hinder our ability to attract new clients or result in a decrease in payment volume. It is not possible to predict the ultimate broader consequences of this conflict and any of the abovementioned factors could have a material adverse effect on our business, financial condition and results of operations, particularly to the extent the conflict escalates to involve additional countries, further economic sanctions and wider military conflict. Any such disruptions could also magnify the impact of other risks described in this Quarterly Report on Form 10-Q.

In addition, political instability or adverse political developments and new or continued economic deterioration, including as a result of the withdrawal by many global central banks of stimulus measures deployed during the peak of the COVID-19 pandemic, in any of the countries in which we operate could harm our business, results of operations and financial condition.

More recently, inflation rates have increased to levels not seen in several years, which may result in decreased demand for our solutions, increases in our operating costs including our labor costs, constrained credit and liquidity, and volatility in financial markets and the banking ecosystem. The United States Federal Reserve has raised, and may again raise, interest rates in response to concerns over inflation risk. There continues to be uncertainty in the changing market and economic conditions, including the possibility of additional measures that could be taken by the Federal Reserve and other government agencies, related to the COVID-19 pandemic and concerns over inflation risk. A sharp rise in interest rates could have an adverse impact on the fair market value of securities we may invest in as part of our portfolio investments, which could adversely affect our financial results.

Risks Related to Our Operations

We may not be able to scale our business quickly enough to meet our growing client base, and if we are not able to grow efficiently, our operating results could be harmed.

As usage of our solutions grows and we sign additional clients and technology partners, we will need to devote additional resources to improving and maintaining our infrastructure and global payments network and integrating with third-party applications to maintain the performance of our solutions. In addition, we will need to appropriately scale our internal business systems, including client support, our 24x7 multilingual support to clients' customers and risk and compliance operations, to serve our growing client base.

Any failure of or delay in these efforts could result in interruptions to our solutions, impaired system performance, and reduced client satisfaction, resulting in decreased sales to clients, lower renewal rates by existing clients, the issuance of service credits, or requested refunds, all of which could hurt our revenue growth. If sustained or repeated, these performance issues could reduce the attractiveness of our solutions to clients and their customers and could result in lost client opportunities and lower renewal rates, any of which could hurt our revenue growth, client loyalty, and our reputation. Even if we are successful in these efforts to scale our business, they will be expensive and complex, and require the dedication of significant management time and attention. We could also face inefficiencies or service disruptions as a result of our efforts to scale our internal infrastructure. We cannot be sure that the expansion and improvements to our internal infrastructure will be effectively implemented on a timely basis, if at all, and such failures could adversely affect our business, operating results, and financial condition.

We enable the transfer of large sums of funds to our clients daily, and are subject to the risk of errors, which could result in financial losses, damage to our reputation, or loss of trust in our brand, which would harm our business and financial results.

For the year ended December 31, 2022, we processed over $18.1 billion in payments on our solutions, compared to approximately $13.2 billion for the year ended December 31, 2021. For the six months ended June 30, 2023, we processed approximately $9.8 billion in payments on our solutions. We have grown rapidly and seek to continue to grow, and our business is subject to the risk of financial losses as a result of chargebacks for client-related losses, credit losses, operational errors, software defects, service disruption, employee misconduct, security breaches, or other similar actions or errors in our solutions. As a provider of accounts receivable and other payment solutions, we enable the transfer of funds to our clients from their customers. Software errors in our solutions and operational errors by our FlyMates and business partners may also expose us to losses. In our business model, subject to certain exceptions, we function as a merchant of record in connection with the receipt of payments by our clients' customers, which subjects us to chargeback risk in the event a client's customer cancels or otherwise does not receive the services for which such customer paid. Although our client contracts allow us to pass such chargeback risk to our client, if the client has gone out of business, we may be unable to collect on the chargeback and will bear the economic loss, which will negatively impact our business.

Moreover, our trustworthiness and reputation are fundamental to our business. As a global payments enablement and software company, the occurrence of any credit losses, operational errors, software defects, service disruption, employee misconduct, security breaches, or other similar actions or errors in our solutions could result in financial losses to our business and our clients, loss of trust, damage to our reputation, or termination of our agreements with strategic partners, each of which could result in:

- loss of clients or a reduction in use of our solutions by our clients' customers;
- lost or delayed market acceptance and acquisition of new clients;
- legal claims against us;
- regulatory enforcement action; or
- diversion of our resources, including through increased service expenses or financial concessions, and increased insurance costs.

There can be no assurance that the insurance we maintain to cover losses resulting from our errors and omissions will cover all losses or our coverage will be sufficient to cover our losses. If we suffer significant losses or reputational harm as a result, our business, operating results, and financial condition could be adversely affected.

Our management of our operating funds and client funds may be reliant on a limited number of our banking partners and other financial institutions.

As to certain verticals that we may choose to serve, as well as in selected geographical locations, our network of banking and other financial institution partners may be limited. As a result, although we seek to distribute financial and credit risk among multiple financial institutions, from time to time there may be a concentration of operating funds or client fund flows among a more limited number of financial institution partners. These partners are generally heavily regulated by national and local governments, and in some locations may be involved in a multitude of related businesses or part of larger, higher-profile financial conglomerates. These partners and suppliers are often subject to strict regulatory requirements and enforcement actions or may experience failures to satisfy capital adequacy conditions that result in a suspension of operations, seizure of assets or closure, which could materially impact the safeguarding of our operating funds or client funds. If we are not able to access our own funds or if client funds were in any way impacted, we could be adversely impacted, including by experiencing reputational damage and claims for restitution, potentially interfering with our existing client relationships or making us less attractive to potential new clients.

Volatility in the banking and financial services sectors may impact our bank partnerships and relationships, which could adversely affect our operations and liquidity.

Recent instability and volatility in the banking and financial services sectors, including limited liquidity, defaults, non-performance or other adverse developments that affect the banking ecosystem, or concerns or rumors about any such events or other similar risks, have increased uncertainty in the global economy and increased the risk of a recession.

Volatility in the banking and financial services sectors may impact our bank partnerships and relationships, which could adversely affect our operations and liquidity.

Our access to our cash and cash equivalents and client funds could be significantly impaired by the financial institutions with which we have arrangements directly, if such financial institutions are facing liquidity constraints or failures. We regularly maintain cash balances at third-party financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. A failure of a depository institution to return these deposits, or if a depository institution is subject to other adverse conditions in the financial or credit markets, could further impact access to our invested cash or cash equivalents and could adversely impact our operating liquidity, financial performance and ability to recover or repay client funds. If one or more of our bank partners were to fail and enter receivership proceedings, we may not be able to withdraw our or our clients' funds in excess of FDIC insurance limits, or may not be able to withdraw such funds in a timely manner, which could adversely affect our brand, business and results of operations, and may lead to claims or litigation, which may be costly to address.

In addition, investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any material decline in available funding or our ability to access our cash and cash equivalents could adversely impact our ability to meet our operating expenses, result in breaches of our contractual obligations or result in violations of federal or state wage and hour laws, any of which could have material adverse impacts on our operations and liquidity.

If we are unable to maintain or expand our ability to offer a variety of local and international payment methods for our clients to make available to their customers, or if we fail to continue to grow and develop preferred payment choices, our business may be materially and adversely affected.

The continued growth and development of our proprietary global payments network will also depend on our ability to anticipate and adapt to changes in client and customer behavior. For example, behavior may change regarding the use of credit and debit card transactions, including the relative increased use of cash, crypto-currencies, other emerging or alternative payment methods and credit card systems that may include strong regional preferences that we or our processing partners do not adequately support. Any failure to timely integrate emerging payment methods into our solutions, anticipate behavior changes, or contract with payment processing partners that support such emerging payment technologies could cause our clients to use our solutions less, resulting in a corresponding loss of revenue, in the event such methods become popular among their customers.

The number and variety of the payment methods we offer or currencies we are able to service may not meet client expectations, or the costs borne by our clients' customers in completing payments may become unsuitable. Accordingly, we may need to change our pricing strategies or reduce our prices, which could harm our revenue, gross profit, and operating results.

We utilize a number of payment providers to clear and settle transactions for our clients, including payments providers such as China UnionPay Co. Ltd. and Adyen N.V. If the services provided by these partners become unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices, or for any other reason, our expenses could increase and our ability to process certain payments could be materially interrupted, all of which could harm our business, financial condition, and results of operations. In addition, our agreements with these providers include certain terms and conditions. These providers have broad discretion to change their terms of service and other policies with respect to our business, and those changes may be unfavorable to us. Therefore, we believe that maintaining successful partnerships with these payment providers is critical to our success.

We, our strategic partners and our clients obtain and process large amounts of personal and sensitive data. Any real or perceived improper or unauthorized use of, disclosure of, or access to such data could harm our reputation as a trusted brand, as well as have a material adverse effect on our business.

We, our strategic partners and our clients, and the third-party vendors that we use, obtain and process large amounts of sensitive data, including personally identifiable information, also referred to as "personal data," and other potentially sensitive data related to our clients, their customers and each of their transactions, as well as a variety of such data relating to our own workforce and internal operations. We face risks, including to our reputation as a trusted brand, in the handling and protection of this data, and these risks will increase as our business continues to expand to include new solutions and technologies.

We are responsible for data security for ourselves and for third parties with whom we partner and under the rules and regulations established by the payment networks, such as Visa, Mastercard and American Express, and debit card networks and by industry regulations and standards that may be promulgated by organizations such as the National Automated Clearing House Association (NACHA), which manages the governance of the Automated Clearing House (ACH) network in the United States. These third parties include our distribution partners and other third-party service providers and agents. We and other third parties collect, process, store and/or transmit personal and sensitive data, such as names, addresses, social security numbers, credit or debit card numbers and expiration dates, driver's license numbers and bank account numbers. We have ultimate liability to the payment networks and to our customers for our failure or the failure of third parties with whom we contract to protect this data in accordance with Payment Card Industry Data Security Standard (PCI DSS) and network requirements. The loss, destruction or unauthorized modification or disclosure of merchant or cardholder data by us or our contracted third parties could result in significant fines, sanctions and proceedings or actions against us by the payment networks, governmental entities, clients, client customers or others and damage our reputation.

Similarly, there are existing regulatory regimes designed to protect the privacy of categories of personal or otherwise sensitive data. Relevant U.S. federal privacy laws include the Family Educational Rights and Privacy Act (FERPA), the Gramm-Leach-Bliley Act (GLBA), and Health Insurance Portability and Accountability Act (HIPAA). We also are subject to stringent contractual obligations relating to the handling of such data, including obligations that are more restrictive than legally required. For example, under HIPAA, the information we collect during the payment experience may include protected health Information (PHI), and as such, we are considered a "business associate" of the U.S. healthcare clients we serve, and we are required to enter into a business associate agreement (BAA) with these clients. The BAAs largely mirror some of the statutory obligations contained in HIPAA, but many contain additional contractual undertakings that give these clients additional remedies in the event of a breach of our obligations to protect the confidentiality of the client's PHI or otherwise meet our contractual obligations. Privacy laws impose a variety of compliance burdens on us and our clients, such as requiring notice to individuals of privacy practices, providing individuals with certain rights to prevent the use and disclosure of protected information, and also imposing requirements for safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. Privacy laws grant audit rights to our regulators and those of our clients. Any unauthorized disclosure of PHI or other data we are obligated to protect by regulation or contract could result in significant fines, sanctions, or requirements to take corrective action that could materially adversely affect our reputation and business.

Threats may derive from human error, fraud, or malice on the part of employees or third parties, or from accidental technological failure. For example, certain of our FlyMates have access to personal and sensitive data that could be used to commit identity theft or fraud. Concerns about security increase when we transmit information electronically because such transmissions can be subject to attack, interception, or loss. Also, computer viruses can be distributed and spread rapidly over the Internet and could infiltrate our systems or those of our contracted third parties. Denial of service or other attacks could be launched against us for a variety of purposes, including interfering with our solutions or to create a diversion for other malicious activities. These and other types of actions and attacks could disrupt our delivery of solutions or make them unavailable. Any such actions or attacks against us or our contracted third parties could impugn our reputation, force us to incur significant expenses in remediating the resulting impacts, expose us to uninsured liability, result in the loss of our bank sponsors or our ability to participate in the payment networks, increase our risk of regulatory scrutiny and the costs associated with such scrutiny, subject us to lawsuits, fines or sanctions, distract our management, or increase our costs of doing business.

We and our contracted third parties could be subject to security breaches by hackers. Our encryption of data and other protective measures may not prevent unauthorized access to or use of personal and sensitive data. A breach of a system may subject us to material losses or liability, including payment network fines, assessments and claims for unauthorized purchases with misappropriated credit, debit or card information, impersonation, or other similar fraud claims. A misuse of such data or a cybersecurity breach could harm our reputation and deter clients and their customers from using electronic payments generally and our solutions specifically, thus reducing our revenue. In addition, any such misuse or breach could cause us to incur costs to correct the breaches or failures, expose us to uninsured liability, increase our risk of regulatory scrutiny and the costs associated with such scrutiny, subject us to lawsuits, and result in the imposition of material penalties and fines under state and federal laws or by the payment networks. The insurance coverage we maintain to cover cyber risks may be insufficient to cover all losses. In addition, a significant cybersecurity breach of our systems or communications could result in payment networks prohibiting us from processing transactions on their networks or the loss of our bank sponsors that facilitate our participation in the payment networks, either of which could materially impede our ability to conduct business.

Additionally, it is also possible that unauthorized access to sensitive customer and business data may be obtained through inadequate use of security controls by our customers, suppliers or other vendors. While we are still not currently

aware of any impact that the SolarWinds supply chain attack had on our business, the scope of the attack is still undetermined. Therefore, there is residual risk that we could experience a security breach arising from the SolarWinds supply chain attack.

We have administrative, technical, and physical security measures in place, and we have policies and procedures in place to both evaluate the security protocols and practices of our vendors and to contractually require service providers to whom we disclose personal data to implement and maintain privacy and security measures. However, we cannot provide assurance that the contractual requirements related to security and privacy that we impose on our service providers will be followed, or that those requirements, or our internal measures, will be adequate to prevent the unauthorized use or disclosure of data. If our privacy protection or security measures or those of the previously mentioned third parties are inadequate or are breached as a result of third-party action, employee or contractor error, malfeasance, malware, phishing, hacking attacks, system error, software bugs or defects in our solutions, trickery, process failure, or otherwise, and, as a result, there is improper disclosure of, or someone obtains unauthorized access to or extract funds or sensitive information, including personally identifiable information, on our systems or our partners' systems, or if we suffer a ransomware or advanced persistent threat attack, or if any of the foregoing is reported or perceived to have occurred, our reputation and business could be damaged. Recent high-profile security breaches and related disclosures of personal and sensitive data by large institutions suggest that the risk of such events is significant, even if privacy protection and security measures are implemented and enforced. If personal or sensitive information is lost or improperly disclosed or threatened to be disclosed, we could incur significant costs associated with remediation and the implementation of additional security measures, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants. In addition, we may incur significant liability and financial loss and may be subject to regulatory scrutiny, investigations, proceedings, and penalties.

Under our terms of service and our contracts with strategic partners and clients, if there is a breach of payment information that we store, we could be liable for their losses and related expenses. Additionally, if our own confidential business information were improperly disclosed, our business could be materially and adversely affected. A core aspect of our business is the reliability and security of our solutions. Any perceived or actual breach of security, regardless of how it occurs or the extent of the breach, could have a significant impact on our reputation as a trusted brand, cause us to lose existing partners or clients, prevent us from obtaining new partners, clients or customers, require us to expend significant funds to remedy problems caused by breaches and implement measures to prevent further breaches, and expose us to legal risk and potential liability including those resulting from governmental or regulatory investigations, class action litigation, and costs associated with remediation, such as fraud monitoring and forensics. Any actual or perceived security breach at a company providing services to us or our clients could have similar effects.

We cannot be certain that our insurance coverage will be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation.

Cyberattacks and security vulnerabilities can disrupt our business and harm our competitive position.

Cyber incidents have been increasing in sophistication and frequency and can include third parties gaining access to employee or customer data using stolen or inferred credentials, computer malware, viruses, spamming, phishing attacks, ransomware, card skimming code, and other deliberate attacks and attempts to gain unauthorized access. Providers of payment and accounts receivable software have frequently been targeted by such attacks and due to the war in the Ukraine and continued political uncertainty involving Russia and Ukraine and potentially other regions of Europe, there is an increased likelihood that escalation of tensions could result in cyberattacks that could either directly or indirectly impact our operations. Because of this, we face additional cybersecurity challenges, including threats to our own IT infrastructure or those of our clients, our customers' clients, and/or third-party providers, that may take a variety of forms ranging from stolen bank accounts, business email compromise, client employee fraud, account takeover, or check fraud, to "mega breaches" targeted against payment and accounts receivable software, which could be initiated by individual or groups of hackers or sophisticated cyber criminals using any of the methods described above. A cybersecurity incident or breach could result in disclosure of confidential information and intellectual property, or cause production downtimes and compromised data. We have in the past experienced cybersecurity incidents of limited scale, and we may in the future experience other data security incidents or breaches affecting personally identifiable information or other confidential business information. We may be unable to anticipate or prevent techniques used in the future to obtain unauthorized access or to sabotage systems because they change frequently and often are not detected until after an incident has occurred. As we increase our client base and our brand becomes more widely known and recognized, third parties may

increasingly seek to compromise our security controls or gain unauthorized access to our sensitive corporate information or our clients' (or our clients' customers') data.

Our business policies and internal security controls may not keep pace with these evolving threats. Despite the internal control measures, and security procedures we employ to safeguard our systems, we may still be vulnerable to a security breach, intrusion, or loss or theft of personal or sensitive data, which may harm our business, reputation and future financial results. The lost revenue and containment, remediation, investigation, legal and other costs could be significant and may exceed our insurance policy limits or may not be covered by insurance at all. Further, we may be subject to regulatory enforcement actions and litigation that could result in financial judgments or the payment of settlement amounts and disputes with insurance carriers concerning coverage. In addition, sufficient insurance coverage may become increasingly expensive to maintain as incidents increase globally.

Our risk management efforts may not be effective to prevent fraudulent activities by our customers, FlyMates or other third parties, which could expose us to material financial losses and liability and otherwise harm our business.

Our software provides payment facilitation solutions for a large number of our clients and their customers. We are responsible for performing KYC reviews of our clients, sanctions screening their customers, and monitoring transactions for fraud. We have been and may continue to be targeted by parties who seek to commit acts of financial fraud using techniques such as stolen identities and bank accounts, compromised business email accounts, employee or insider fraud, account takeover, false applications, and fake invoicing. We may suffer losses from acts of financial fraud committed by our clients, our clients' customers and purported customers, our FlyMates and payment partners or third parties.

The techniques used to perpetrate fraud are continually evolving and we may not be able to identify all risks created by new solutions or functionality. Our risk management policies, procedures, techniques, and processes may not be sufficient to identify all of the risks to which we are exposed, to enable us to prevent or mitigate the risks we have identified, or to identify additional risks to which we may become subject in the future. Furthermore, our risk management policies, procedures, techniques, and processes may contain errors or our FlyMates or agents may commit mistakes or errors in judgment as a result of which we may suffer large financial losses. The software-driven and highly automated nature of our solutions could enable criminals and those committing fraud to steal significant amounts of money accessing our solutions. As greater numbers of our clients' customers use our solutions, and we serve clients in industries that are at higher risk for fraudulent activity, our exposure to material risk losses from a single client, or from a small number of clients, will increase. In addition, our clients or their customers may suffer losses from acts of financial fraud by third parties posing as us through account takeover, credential harvesting, use of stolen identities and various other techniques, which could harm our reputation, consume significant time of our compliance, security and client relations teams to investigate and remediate, or prompt us to reimburse our clients for such losses in order to maintain client business relationships.

Our current business and anticipated growth will continue to place significant demands on our risk management efforts, and we will need to continue developing and improving and investing in our existing risk management infrastructure, policies, procedures, techniques, and processes. As techniques used to perpetrate fraud on our solutions evolve, we may need to modify our solutions to mitigate fraud risks. As our business grows and becomes more complex, we may be less able to forecast and carry appropriate reserves in our books for fraud related losses. Further, these types of fraudulent activities targeting our solutions can also expose us to civil and criminal liability, governmental and regulatory sanctions as well as potentially cause us to be in breach of our contractual obligations to our clients and partners.

If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, and changing business needs, requirements, or preferences, or if we fail to continue to grow and develop our payments solutions, our business may be materially and adversely affected.

Our future success depends in large part on the continued growth and development of our payments solutions. If such activities are limited, restricted, curtailed or degraded in any way, or if we fail to continue to grow and develop our payments solutions, our business may be materially and adversely affected. The market for payments enablement solutions is relatively new and subject to changes in technology, regulatory regimes, industry standards, payment methods, regulations and client and customer needs. The success of our business will depend, in part, on our ability to adapt and respond effectively to these changes through methods which include launching new solutions.

The success of any new product and service, or any enhancements or modifications to existing solutions, depends on several factors, including the timely completion, introduction, and market acceptance of such solutions, enhancements,

and modifications. Our engineering and software development teams operate in different locations across the globe (including teams in Valencia, Spain, Cluj, Romania, Chicago, Tel Aviv, Israel and Brisbane, Australia), which can create logistical challenges. If we are unable to effectively coordinate with our global technology and development teams to enhance our solutions, add new payment methods or develop new solutions that keep pace with technological and regulatory changes to achieve market acceptance, or if new technologies emerge that are able to deliver competitive solutions that are more effective, secure, convenient or cost effective than our solutions, our business, operating results, and financial condition would be adversely affected. Furthermore, modifications to our existing solutions or technology will increase our technology and development expenses. Any failure of our solutions to operate effectively with existing or future network solutions and technologies could reduce the demand for our solutions, result in clients or clients' customer dissatisfaction and adversely affect our business.

Changes to payment card networks fees or rules could harm our business.

We are required to comply with Mastercard, American Express, and Visa payment card network operating rules and the rules of other regional card (such as China UnionPay or Japan Credit Bureau (JCB)) or payment providers, in connection with our solutions. We have agreed to reimburse our merchant acquirers for any fines they are assessed by payment card networks as a result of any rule violations by us. We may also be directly liable to the payment card networks for rule violations. The payment card networks set and interpret the card operating rules. The payment card networks could adopt new operating rules or interpret or reinterpret existing rules that we or our processors might find difficult or even impossible to follow, or costly to implement. For example, the card networks could adopt new rules or reinterpret existing rules to substantially modify how we offer credit card payment methods to our clients, or impose new fees or costs that could negatively impact our margins. Card networks also could modify security or fraud detection methodologies that could have a downstream impact on our business, and force us to change our solutions, payment experience or security protocols, which may increase our operating costs. We also may seek to introduce other card-related solutions in the future, which would entail additional operating rules. As a result of any violations of rules, new rules being implemented, or increased fees, we could lose our ability to offer certain cards as a payment method to our clients' customers, or such payments could become prohibitively expensive for us or for our clients. Additionally, from time to time, card networks, including Visa and Mastercard, increase the fees that they charge processors. We could attempt to pass these increases along to our clients and their customers, but this strategy might result in the loss of clients to our competitors who do not pass along the increases. If competitive practices prevent us from passing along the higher fees to our clients and their customers in the future, we may have to absorb all or a portion of such increases, which may increase our operating costs and reduce our profit margins. If we are unable to offer credit cards as a payment method to our clients' customers, our business would be adversely affected.

If we do not or cannot maintain the compatibility of our solution with evolving software solutions used by our clients, or the interoperability of our solutions with those of our third-party payment providers, payment networks and key software vendors, our business may be materially and adversely affected.

Our solutions integrate with ERP systems, such as Ellucian Company, L.P. in education, Epic Systems Corporation in healthcare, Rezdy Pty Ltd in travel and Oracle Corporation in B2B payments. We automatically synchronize suppliers, clients, client customers, invoices, and payment transactions between our solutions and these systems. This two-way sync eliminates duplicate data entry and provides the basis for managing cash-flow through an integrated solution for accounts receivable, and payments.

In addition, we are subject to certain standard terms and conditions with these partners. These partners have broad discretion to change their terms of service and other policies, and those changes may be unfavorable to us. Therefore, we believe that maintaining successful partnerships with these providers is critical to our future success.

We also rely on our proprietary global payment network comprised of leading global, regional and local banks and technology and payment partners. If we do not or cannot maintain the interoperability of their products or services or the products or our key software vendors that are integral to our solutions, our business may be materially and adversely affected. These third parties periodically update and change their systems, and although we have been able to adapt our solutions to their evolving needs in the past, there can be no guarantee that we will be able to do so in the future. In particular, if we are unable to adapt to such changes, we may not be able to utilize these strategic partners and we may lose access to large numbers of clients as a result.

If any of the third party software providers change the features of their application programming interfaces (APIs), discontinue their support of such APIs, restrict our access to their APIs, or alter the terms governing their use in a manner that is adverse to our business, we will not be able to provide synchronization capabilities, which could significantly diminish the value of our solutions and harm our business, operating results, and financial condition.

If we fail to maintain and enhance our brand, our ability to expand our client base will be impaired and our business, operating results, and financial condition may suffer.

We believe that further developing, maintaining and enhancing our brand domestically and on a global basis is important to support the marketing and sale of our existing and future solutions to new clients and to attracting additional and strategic partners. Successfully further developing, maintaining and enhancing our brand will depend largely on the effectiveness of our marketing and demand generation efforts, our ability to provide reliable and seamless solutions that continue to meet the needs of our clients and their customers at competitive prices, our ability to maintain our clients' trust, our ability to continue to develop new functionality, solutions, and our ability to successfully differentiate solutions from competitive solutions. Our brand promotion activities may not generate client awareness or yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, our business could suffer.

If we lose key members of our management team or are unable to attract and retain executives and employees we need to support our operations and growth, our business may be harmed.

Our success and future growth depend upon the continued services of our management team and other key employees. Our Chief Executive Officer, Michael Massaro, and our President and Chief Operating Officer, Rob Orgel, are critical to our overall management, as well as the continued development of our solutions, strategic partnerships, culture, relationships with financial institutions, and strategic direction. From time to time, there may be changes in our management team resulting from the hiring or departure of executives and key employees, which could disrupt our business. Our senior management and key employees are employed on an at-will basis. In August 2023, we announced that Michael Ellis, our Chief Financial Officer, would be transitioning from such position in 2024. We plan to commence a search for a new Chief Financial Officer, but we may experience difficulties or delays in identifying a qualified replacement. This or other changes in our senior management may be disruptive to our business, and, if we are unable to manage an orderly transition, our business may be adversely affected. We currently have "key person" insurance on our Chief Executive Officer, Michael Massaro, but not for any of the other members of our management team. Certain of our key employees have been with us for a long period of time and have fully vested stock options or other long-term equity incentives that are or may become valuable and are publicly tradable subject to Rule 144 limitations, which may reduce the incentive for each of these key employees to remain at our Company. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees or that we would be able to timely replace members of our senior management or other key employees should any of them depart. The loss of our Chief Executive Officer, or our President and Chief Operating Officer, or one or more of our senior management, or other key employees could harm our business, and we may not be able to find adequate replacements.

The failure to attract and retain additional qualified personnel could prevent us from executing our business strategy and growth plans.

To execute our business strategy, we must attract and retain highly qualified personnel. Competition for executive officers, software developers, compliance and risk management personnel and other key employees in our industry and locations is intense and increasing, especially in the U.S., where wage inflation has been increasing. We compete with many other companies for software developers with high levels of experience in designing, developing, and managing payment systems, as well as for skilled legal and compliance and risk operations professionals. Many of the companies with which we compete for experienced personnel have greater resources than we do and can frequently offer such personnel substantially greater compensation than we can offer. If we fail to identify, attract, develop and integrate new personnel, or fail to retain and motivate our current personnel, our growth prospects would be adversely affected.

If we cannot maintain our company culture as we grow, our success and our business may be harmed.

We believe our culture has been a key contributor to our success to date and that the critical nature of the solutions that we provide promotes a sense of greater purpose and fulfillment in our FlyMates. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our corporate objectives. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain these important aspects of our culture. If we fail to maintain our culture, our business and competitive position may be adversely affected.

Our sales cycles may be long and vary.

We devote significant resources to establish relationships with new clients and deepen relationships with existing clients. The sales cycles of our solutions tend to vary depending on the client industry sector which may make forecasting more complex and uncertain.

In addition, sales and sale cycles may be based in part or entirely on factors, or perceived factors, not directly related to the features of our solutions, including, among others, a client or prospective client's projection of business growth, uncertainty about economic conditions (including as a result of the COVID-19 outbreak, increased inflationary conditions, recession concerns and the escalation of hostilities between Russia and Ukraine), capital budgets, anticipated cost savings from the implementation of our solution, potential preference for internally-developed software solutions, perceptions about our business and solutions, more favorable terms offered by potential competitors, and previous technology investments. Mid-market and large enterprises tend to have more complex operating environments than smaller businesses, making it often more difficult and time-consuming for us to demonstrate the value of our solutions to prospective clients. The decision to use our solutions may also be an enterprise-wide decision, and require us to provide greater levels of education regarding the use and benefits of our solutions, which may result in additional time, effort, and money spent on our sales cycle without any assurance that our efforts will be successful in generating any sales. Often, major hospital systems and national or state higher education systems will solicit service offers by issuing requests for proposals (RFPs), which are generally a time- and resource-intensive process, with no assurances of being selected as a vendor after the RFP process is completed. Additionally, large enterprises typically have longer implementation cycles, especially hospital and education systems, require greater product functionality and scalability and a broader range of services, demand that vendors take on a larger share of risks, sometimes require longer testing periods that delay general availability of our solutions, and expect greater payment flexibility from vendors. All of these factors can add further risk to business conducted with these clients. If we fail to realize an expected sale from a large end-client in a particular quarter or at all, our business, operating results, and financial condition could be materially and adversely affected.

In addition, we may face unexpected deployment challenges with enterprise clients. It may be difficult to deploy our software solutions if a client has unexpected database, hardware or software technology issues, or if a client insists on a more customized or unique solution that is time intensive or that we have little prior experience in delivering. Decisions on timing of deployments may also be impacted by cost and availability of personnel. Any difficulties or delays in the initial implementation could cause clients to reject our solutions or lead to the delay or non-receipt of future orders, in which case our business, operating results and financial condition would be harmed.

Our operating results depend in substantial part on our ability to deliver a successful client experience and persuade our clients to grow their relationship with us over time. As we expect to grow rapidly, our client acquisition costs could outpace our build-up of recurring revenue, and we may be unable to reduce our total operating costs through economies of scale such that we are unable to achieve profitability. Any increased or unexpected costs or unanticipated delays, including delays caused by factors outside of our control, could cause our operating results to suffer.

We typically incur significant upfront costs in our client relationships, and if we are unable to develop or grow these relationships over time, we are unlikely to recover these costs and our operating results may suffer.

We devote significant resources to establish relationships with new clients and deepen relationships with existing clients. Our sales cycle for our solutions can be variable, typically ranging from three to nine months from initial contact to contract execution. However, there is potential for our sales cycle to extend beyond three to nine months. During the period of our sales cycle, our efforts involve educating our clients about the use, technical capabilities and benefits of our solutions. Our operating results depend in substantial part on our ability to deliver a successful client experience and persuade our clients to grow their relationship with us over time. As we expect to grow rapidly, our client acquisition costs could outpace our build-up of recurring revenue, and we may be unable to reduce our total operating costs through economies of scale such that we are unable to achieve profitability. Any increased or unexpected costs or unanticipated delays, including delays caused by factors outside of our control, could cause our operating results to suffer.

If we fail to offer high-quality client support, or if our support is more expensive than anticipated, our business and reputation could suffer.

Our clients and their customers rely on our support services to resolve issues and realize the full benefits provided by our solutions. High-quality support is also important for the expansion of the use of our solutions with existing clients and their customers. We provide multilingual support over chat, email or via telephone. The number of our clients, and the number of their customers utilizing our solutions, has grown significantly and such growth, as well as any future growth, will put additional pressure on our client service organization. If we do not help our clients and their customers quickly

resolve issues and provide effective ongoing support, or if our support personnel or methods of providing support are insufficient to meet the needs of our clients and their customers, our ability to retain clients and their customers and acquire new clients and customers could suffer, and our reputation with existing or potential clients could be harmed. Providing an exceptional client experience requires significant time and resources from our client service team. Therefore, failure to scale our client service organization adequately may adversely impact our business results and financial condition.

In addition, as we continue to grow our operations and continue to expand to new jurisdictions, we need to be able to provide efficient client service that meets our clients' needs globally at scale. In geographies where we sell through our channel partners, if we are unable to provide a high quality client experience tailored to the language and culture of the applicable jurisdiction, our business operations and reputation may suffer.

We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

We have funded our operations since inception primarily through equity and debt financings, sales of our solutions, and fees. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results, and financial condition. If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

Our business could be harmed as a result of the risks associated with our acquisitions.

As part of our business strategy, we have in the past and intend to continue to seek to acquire or invest in businesses, products or technologies that could complement or expand our business, enhance our technical capabilities or otherwise offer growth opportunities by providing us with additional intellectual property, client relationships and geographic coverage. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not such acquisitions are completed. In addition, we can provide no assurances that we will be able to find and identify desirable acquisition targets or that we will be successful in entering into a definitive agreement with any one target. In addition, even if we reach a definitive agreement with a target, there is no assurance that we will complete any future acquisition or if we do acquire additional businesses, we may not be able to integrate them effectively following the acquisition or effectively manage the combined business following the acquisition.

Any acquisitions we undertake or have recently completed, including the acquisitions of Cohort Go in July 2022 and WPM in December 2021, will likely be accompanied by business risks which may include, among other things:

- the effect of the acquisition on our financial and strategic position and reputation;
- the failure of an acquisition to result in expected benefits, which may include benefits relating to enhanced revenues, technology, human resources, costs savings, operating efficiencies, goodwill and other synergies;
- the difficulty, cost and management effort required to integrate the acquired businesses, including costs and delays in implementing common systems and procedures and costs and delays caused by communication difficulties;
- the assumption of certain known or unknown liabilities of the acquired business, including litigation-related liabilities;
- the reduction of our cash available for operations and other uses, the increase in amortization expense related to identifiable assets acquired, potentially dilutive issuances of equity securities or the incurrence of debt;

- a lack of experience in new markets, new business culture, products or technologies or an initial dependence on unfamiliar distribution partners;
- the possibility that we will pay more than the value we derive from the acquisition;
- the impairment of relationships with our clients, clients' customers, partners or suppliers or those of the acquired business; and
- the potential loss of key employees of the acquired business.

These factors could harm our business, results of operations or financial condition.

In addition to the risks commonly encountered in the acquisition of a business or assets as described above, we may also experience risks relating to the challenges and costs of closing a transaction. The risks described above may be exacerbated as a result of managing multiple acquisitions at once.

Systems failures and resulting interruptions in the availability of our solutions could harm our business.

Our systems and those of our service providers and partners have experienced from time to time, and may experience in the future, service interruptions or degradation because of hardware and software defects or malfunctions, distributed denial-of-service and other cyberattacks, insider threats, human error, earthquakes, hurricanes, floods, fires, and other natural disasters, including events resulting from climate change, war or other military conflict, including an escalation of the conflict between Russia and Ukraine, power losses, disruptions in telecommunications services, fraud, computer viruses or other malware, or other events. Some of our systems are not fully redundant, and our disaster recovery planning may not be sufficient for all possible outcomes or events. In addition, as a provider of payments solutions targeted to highly regulated clients in industries such as education and healthcare, we are subject to heightened scrutiny by regulators that may require specific business continuity, resiliency and disaster recovery plans, and more rigorous testing of such plans, which may be costly and time-consuming to implement, and may divert our resources from other business priorities.

A prolonged interruption in the availability, speed, or functionality of our solutions or payment methods could materially harm our business. Frequent or persistent interruptions in our solutions could cause current or potential clients and their customers to believe that our systems are unreliable, leading them to switch to our competitors or to avoid or reduce the use of our solutions, and could permanently harm our reputation and brand. Moreover, if any system failure or similar event results in damages to our clients or their customers and business partners, these clients, customers or partners could seek significant compensation or contractual penalties from us for their losses, and those claims, even if unsuccessful, would likely be time-consuming and costly for us to address.

We have undertaken and continue to make certain technology and network upgrades and redundancies which are designed to improve the reliability of our solutions. These efforts are costly and time-consuming, involve significant technical risk and may divert our resources from new features and solutions, and there can be no guarantee that these efforts will succeed. Because we are a regulated payments institution in certain jurisdictions, frequent or persistent interruptions could lead to regulatory scrutiny, significant fines and penalties, and mandatory and costly changes to our business practices, and ultimately could cause us to lose existing licenses that we need to operate or prevent or delay us from obtaining additional licenses that may be required for our business.

We use public cloud hosting with Amazon Web Services (AWS) and depend on AWS’ ability to protect their data centers against damage or interruption from natural disasters, power or telecommunications failures, criminal acts, and similar events. Our operations depend on protecting the cloud infrastructure hosted by AWS by maintaining the configuration, architecture, and interconnection specifications, as well as the information stored in these virtual data centers and transmitted by third-party internet service providers. In limited occasions, we have experienced service disruptions in the past, and may experience interruptions or delays in our solutions in the future. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the data storage services we use. Although we have disaster recovery plans that utilize various data storage locations, any incident affecting our data storage or internet service providers’ infrastructure that may be caused by fire, flood, severe storm, earthquake, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, natural disasters, war or other military conflict, including an escalation of the conflict between Russia and Ukraine, terrorist attacks, negligence, and other similar events beyond our control could negatively affect our solutions. Any prolonged service disruption affecting our solutions could damage our reputation with current and potential

clients, expose us to liability, cause us to lose clients, or otherwise harm our business. In the event of damage or interruption to our solutions, our insurance policies may not adequately compensate us for any losses that we may incur.

In addition, we may experience financial losses due to a number of factors, including:

- third party disruptions, including potential outages at network providers and other suppliers;
- supply chain impacts, including shortages of goods, raw materials, increased prices or delays in shipment;
- challenges to the availability and reliability of our network due to changes to normal operations;
- increased cyber and payment fraud risk related to the lingering impact of the COVID-19 pandemic, as cybercriminals attempt DDoS related attacks, phishing scams and other disruptive actions, given the shift to online banking, e-commerce and other online activity, as well as more FlyMates working remotely as a result of the pandemic; and
- system failures or outages, including any potential disruptions due to significantly increased global demand on certain cloud-based systems, could compromise our ability to provide our solutions in a timely manner, which could harm our ability to conduct business or delay our financial reporting. Such failures could adversely affect our operating results and financial condition.

Our solutions are accessed by many of our clients and their customers, often at the same time. As we continue to expand the number of clients that we serve and solutions that we are able to offer to our clients and their customers, we may not be able to scale our technology to accommodate the increased capacity requirements, which may result in interruptions or delays in service. In addition, the failure of data centers, internet service providers, or other third-party service providers to meet our capacity requirements could result in interruptions or delays in access to our solutions or impede our ability to grow our business and scale our operations. If our third-party infrastructure service agreements are terminated, or there is a lapse of service, interruption of internet service provider connectivity, or damage to data centers, we could experience interruptions in access to our solutions as well as delays and additional expense in arranging new facilities and services.

We also rely on components, applications, and services supplied by third parties, including payment service providers and merchant acquirer partners which subjects us to risks. If these third parties experience operational interference or disruptions, breach their agreements with us, fail to perform their obligations and meet our expectations, or experience a cybersecurity incident, our operations could be disrupted or otherwise negatively affected, which could result in client dissatisfaction, regulatory scrutiny, and damage to our reputation and brand, and materially and adversely affect our business.

In addition, we are continually improving and upgrading our systems and technologies. Implementation of new systems and technologies is complex, expensive, and time-consuming. If we fail to timely and successfully implement new systems and technologies, or improvements or upgrades to existing information systems and technologies, or if such systems and technologies do not operate as intended, this could have an adverse impact on our business, internal controls (including internal controls over financial reporting), results of operations, and financial condition.

Risks Related to Our Legal, Regulatory and Compliance Landscape

We currently handle cross-border and domestic payments and plan to expand our solutions to new clients, to accept and settle payments in new countries and in new currencies, and to increase our global network to allow us to offer local and alternative payment methods, creating a variety of operational challenges; additionally, our domestic and international operations subject us to increased risks, which could harm our business.

Our business is subject to risks inherent in conducting business globally, including cross-border payments and domestic payments in the United States and certain other markets. Our handling of domestic and cross-border payments to our clients generates a significant portion of our revenues, with a substantial portion of such revenues coming from payments processed from Asia (including India, China and Korea). We expect that international revenues will continue to account for a significant percentage of total net revenues for the foreseeable future, and that in particular, the proportion of our revenue from Asia will continue to increase. Current events, including the possibility of renegotiated trade deals and international tax law treaties, United States-China diplomatic and trade friction, heightened tensions between China and Taiwan and the escalation of the conflict between Russia and Ukraine, create a level of uncertainty, and potentially increased complexity, for multinational companies. These uncertainties could have a material adverse effect on our

business and our results of operations and financial condition. In addition, international operations are subject to various risks which could have a material adverse effect on those operations or our business as a whole, including:

- foreign currency exchange rate volatility;
- adverse economic conditions in the United States and globally, including economic slowdown, inflation, recession concerns and the disruption, volatility and tightening of credit and capital markets;
- risks related to government regulation or required compliance with local laws;
- local licensing and reporting obligations or the imposition of currency controls which make it impossible or increasingly difficult for our clients to collect payments from international customers;
- local regulatory and legal obligations related to privacy, data protection, data localization, and user protections;
- the need to localize our solutions, including offering clients and their customers the ability to transact business in the local currency and adapting our solutions to local preferences, in markets in which we may have limited or no experience;
- trade barriers and changes in trade regulations;
- the impact of government sanctions on our ability to offer services in a region, such as the sanctions recently announced by the U.S. and other countries against Russia;
- difficulties in developing, staffing, and managing a large number of varying foreign operations as a result of distance, language, and cultural differences;
- stringent local labor laws and regulations;
- limitations on the repatriation of cash, including imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries;
- diplomatic friction, political or social unrest, war or other military conflict, including an escalation of the conflict between Russia and Ukraine, economic instability, repression, or human rights issues;
- natural disasters, global pandemics such as COVID-19 or other public health emergencies, acts of war, and terrorism;
- compliance with U.S. laws and foreign laws prohibiting corrupt payments to government officials, such as the Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act, and other local anti-corruption laws;
- compliance with U.S. and foreign laws designed to combat money laundering and the financing of terrorist activities;
- retaliatory tariffs and restrictions limiting free movement of currency and an unfavorable trade environment, including as a result of political conditions and changes in the laws in the United States and elsewhere and as described in more detail below;
- antitrust and competition regulations;
- expanded compliance with potentially conflicting and changing laws of taxing jurisdictions where we conduct business and applicable U.S. tax laws as they relate to international operations, the complexity and adverse consequences of such tax laws, and potentially adverse tax consequences due to changes in such tax laws or levels of enforcement, including the recently enacted Inflation Reduction Act of 2022, which includes a minimum corporate tax which could result in an additional tax liability in a given year;
- expected or actual extended federal government shutdowns, partisan gridlock that results in the inability of Congress to take action or changes to government policy;
- national or regional differences in macroeconomic growth rates; and

- increased difficulties in collecting accounts receivable.

Foreign operations may also expose us to political, social, regulatory and economic uncertainties affecting a country or region, or to political hostility to investments by foreign or private equity investors. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher in those markets than in more developed markets. The legal and regulatory environment may also be different, particularly with respect to bankruptcy and reorganization, and may afford us less protection as a creditor than we may be entitled to under U.S. law. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such companies.

Restrictions imposed or actions taken by foreign governments could include exchange controls, seizure or nationalization of foreign deposits and adoption of other governmental restrictions which adversely affect the prices of securities or the ability to repatriate profits. For instance, we process a substantial amount of payments from China. The Chinese government imposes controls on the convertibility of the Renminbi the currency of China, into foreign currencies and, in certain cases, the remittance of currency out of China. The Chinese government may at its discretion further restrict access in the future to foreign currencies for current account transactions. In addition, income received by us from sources in some countries may be reduced by withholding and other taxes. Any such taxes paid by us will reduce the net income or return from such investments. While we will take these factors into consideration in making investment decisions, including when hedging positions, no assurance can be given that we will be able to fully avoid these risks or generate sufficient risk-adjusted returns.

Violations of the complex foreign and U.S. laws, rules and regulations that apply to our cross-border operations may result in fines, criminal actions, or sanctions against us, our officers, or FlyMates; prohibitions on the conduct of our business; and damage to our reputation. Although we have implemented policies and procedures designed to promote compliance with these laws, there can be no assurance that our FlyMates, contractors, or agents will not violate our policies. These risks are inherent in our cross-border operations and expansion, may increase our costs of doing business internationally, and could harm our business.

Payments and other financial services-related regulations and oversight are material to our business. Our failure to comply could materially harm our business.

The local, state, and federal laws, rules, regulations, licensing schemes, and industry standards in the United States and other jurisdictions in which we operate that govern our business include, or may in the future include, those relating to consumer finance and consumer protection, cross-border and domestic money transmission, foreign exchange, payments services (such as money transmission, payment processing, and settlement services), AML and CFT, escheatment, international sanctions regimes, and compliance with the PCI DSS. These laws, rules, regulations, licensing schemes, and standards are enforced by multiple authorities and governing bodies in the United States, including the Department of the Treasury, the Federal Deposit Insurance Corporation, the SEC, Consumer Financial Protection Bureau (CFPB), the Federal Trade Commission, self-regulatory organizations, and numerous state and local regulators and law enforcement agencies. Our clients also have their own regulatory obligations, and they expect our solutions to comply with the regulatory requirements that are applicable to their businesses. For additional discussion about the regulatory environment that we and our clients operate in, please see "Business–Regulation and Industry Standards" in our Annual Report on Form 10-K for the year ended December 31, 2022. As we expand into new jurisdictions, the number of foreign laws, rules, regulations, licensing schemes, and standards governing our business will expand as well. In addition, as our business and solutions continue to develop and expand, we may become subject to additional laws, rules, regulations, licensing schemes, and standards. We may not always be able to accurately predict the scope or applicability of certain laws, rules, regulations, licensing schemes, or standards to our business, particularly as we expand into new areas of operations, which could have a significant negative effect on our existing business and our ability to pursue future plans.

Certain of our subsidiaries are registered with the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). Our subsidiary Flywire Global Corp. has obtained licenses to operate as a money transmitter (or the statutory equivalent) in 42 U.S. jurisdictions, and is in the process of applying for a license in, to the best of our knowledge, all U.S. states and territories where such licensure or registration is required in order to be able to offer additional business lines in the future. As a licensed money transmitter, we are (and in the states where we are awaiting licensure, will be) subject to obligations and restrictions with respect to the investment of client funds, reporting requirements, bonding requirements, minimum capital requirements, and inspection by state regulatory agencies concerning various aspects of our business. Evaluation of our compliance efforts, as well as the questions of whether and to what extent our solutions are considered money transmission, are matters of regulatory interpretation and could change over time. In addition, there are substantial costs involved in maintaining and renewing our licenses, certifications, and

approvals, and we could be subject to fines or other enforcement action if we are found to violate disclosure, reporting, AML, CFT, capitalization, corporate governance, or other requirements of such licenses.

If we fail to predict how a U.S. law or regulation or a law or regulation from another jurisdiction in which we operate will be applied to us, we could be subject to additional licensure requirements and/or administrative enforcement actions. This could also require changes to the manner in which we conduct some aspects of our business or potential product changes, and require us to pay fines, penalties, or compensation to clients for past non-compliance. At the federal level, we are registered as a MSB with FinCEN. For additional discussion of the requirements of our MSB registration, please see "Business – Regulation and Industry Standards" in our Annual Report on Form 10-K for the year ended December 31, 2022. At the state level, we rely on various exemptions from state money transmitter licensing requirements, and regulators may find that we have violated applicable laws or regulations because we are not licensed or registered as a money transmitter in all of the U.S. jurisdictions we service. We believe, based on our business model, that we have valid exemptions from licensure under various state money transmission laws, either expressly as a payment processor or agent of the payee, or pursuant to common law as an agent of the payee. While we believe we have defensible arguments in support of our positions under the state money transmission statutes, we have not expressly obtained confirmation of such positions from the state banking departments who administer the state money transmission statutes. It is possible that certain state banking departments may determine that our activities are not exempt. Any determination that we are in fact required to be licensed under the money transmission statute of a state where we are not yet licensed may require substantial expenditures of time and money to remediate and could lead to liability in the nature of penalties or fines, costs, legal fees, reputational damage or other negative consequences. We could be required to cease operations in some or all of the U.S. jurisdictions we service and where we are not yet licensed, which determination would have a materially adverse effect on our business, including our financial condition, operating results, and reputation. In the past, certain competitors have been found to violate laws and regulations related to money transmission, and they have been subject to fines and other penalties by regulatory authorities.

The adoption of new money transmitter or MSB statutes in jurisdictions or changes in regulators’ interpretation of existing state and federal money transmitter or MSB statutes or regulations could subject us to new registration or licensing requirements. There can be no assurance that we will be able to obtain or maintain any such licenses in all of the jurisdictions we service, and, even if we were able to do so, there could be substantial costs and potential product changes involved in maintaining such licenses, which could have a material and adverse effect on our business. These factors could impose substantial additional costs, involve considerable delay to the development or provision of our solutions, require significant and costly operational changes, or prevent us from providing our solutions in any given market.

The regulatory environment in which we operate is subject to constant change, and new regulations could make aspects of our business as currently conducted no longer possible.

In the future, as a result of the regulations applicable to our business, we could be subject to investigations and resulting liability, including governmental fines, restrictions on our business, or other sanctions, and we could be forced to cease conducting certain aspects of our business with residents of certain jurisdictions, be forced to change our business practices in certain jurisdictions, or be required to obtain additional licenses or regulatory approvals. For example, because a majority of voters in the U.K. approved an exit from the E.U. (commonly referred to as Brexit), we were required to obtain a license from a member state of the European Economic Area (EEA) which would allow us to continue to provide our solutions to clients located in the EEA under a principle known as “passporting”. We were able to obtain a license as an authorized payment institution from the Bank of Lithuania in September 2019 and subsequently obtained the right to passport our solutions to other EEA member states.

Government agencies may impose new or additional rules on money transmission, which may increase our costs of doing business, including, but not limited to regulations that:

- prohibit, restrict, and/or impose taxes or fees on money transmission transactions in, to or from certain countries or with certain governments, individuals, and entities;
- impose additional client identification and client due diligence requirements;
- impose additional reporting or recordkeeping requirements, or require enhanced transaction monitoring;
- limit the types of entities capable of providing money transmission services, or impose additional licensing or registration requirements;

- impose minimum capital or other financial requirements;
- limit or restrict the revenue that may be generated from money transmission, including revenue from the transaction value associated with the payment method used by our clients' customers and platform-related fees for access to our solutions and invoice and payment plan fees;
- require enhanced disclosures to our money transmission clients or their customers;
- require the principal amount of money transmission transactions originated in a country to be invested in that country or held in trust until paid;
- limit the number or principal amount of money transmission transactions that may be sent to or from a jurisdiction, whether by an individual or in the aggregate; and
- restrict or limit our ability to process transactions using centralized databases, for example, by requiring that transactions be processed using a database maintained in a particular country or region.

We are subject to governmental laws and requirements regarding economic and trade sanctions, AML and CFT that could impair our ability to compete in international markets or subject us to criminal or civil liability if we violate them.

We are currently required to comply with U.S. economic and trade sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Controls (OFAC) and we have processes in place to comply with the OFAC regulations as well as similar requirements in the foreign jurisdictions in which we already operate. As part of our compliance efforts, we scan our clients and their customers against watch lists promulgated by OFAC and certain other international agencies. Our application can be accessed from nearly anywhere in the world, and if our service is accessed from a sanctioned country or otherwise accessed or used in violation of applicable trade and economic sanctions, we could be subject to fines or other enforcement actions. In the course of implementing geolocation data-based sanctions screening measures, we identified certain payments which, based on geolocation data, appear to have been initiated from Cuba, Iran, or Syria, in potential violation of applicable sanctions regimes. We have made a voluntary submission to OFAC to report the potential violations. Although the internal investigation completed to date suggests that any loss incurred as a result of this matter would not be material to our business, if OFAC ultimately concludes a violation has occurred, it could result in penalties, costs, and restrictions on our ability to do business, which could also harm our operating results.

We are also subject to various AML and CFT laws and regulations around the world that prohibit, among other things, our involvement in transferring the proceeds of criminal or terrorist activities. In the United States, most of our solutions are subject to AML laws and regulations, including the BSA, and similar laws and regulations. The BSA, among other things, requires MSBs to develop and implement risk-based AML programs, to report large cash transactions and suspicious activity, and in some cases, to collect and maintain information about clients who use their services and maintain other transaction records. Regulators and third-party auditors have identified gaps in how similar businesses have implemented AML programs, and we could likewise be subject to significant fines, penalties, inquiries, audits, investigations, enforcement actions, and criminal and civil liability if our AML program is found to be insufficient by a regulator.

Our business operations in other parts of the world such as the U.K., Lithuania, Canada, Australia, New Zealand and Singapore are subject to similar laws and requirements. Regulators in the United States and globally continue to increase their scrutiny of compliance with these obligations, which may require us to further revise or expand our compliance program, including the procedures we use to verify the identity of our clients and to monitor transactions on our system, including payments to persons outside of the United States. Regulators regularly re-examine the transaction volume thresholds at which we must obtain and keep applicable records or verify identities of clients, and any change in such thresholds could result in greater costs for compliance. Similarly, as a condition to doing business with us, our banking and other strategic partners also impose ongoing obligations on us related to AML and CFT and sanctions screening. Any failure on our part to maintain the necessary processes and policies to comply with these regulations and requirements, or to adapt our processes and policies to changes in laws, would subject us to penalties, fines, or loss of key relationships which would have a material adverse effect on our business and results of operations. Furthermore, government sanctions imposed with respect to Russia's invasion of Ukraine in early 2022 are impacting our ability to offer our services in the region, and additional sanctions could be imposed in the future. Further instability or tension in Russia, Ukraine, and the surrounding region could also cause us to adjust our operating model, which would increase our costs of operations.

Any actual or perceived failure to comply with governmental regulation and other legal obligations, particularly those related to privacy, data protection, and information security, could harm our business. Compliance with such laws could also result in additional costs and liabilities to us or inhibit sales of our solutions.

Our clients and their customers store personal and business information, financial information and other sensitive information through our solutions. In addition, we collect, store, and process personal and business information and other data from and about actual and prospective clients, their customers, our FlyMates and our service providers and other business partners, as well as their personnel. Our handling of data is subject to a variety of laws and regulations, including regulation by various government agencies, such as the U.S. Federal Trade Commission (FTC), and various state, local, and foreign agencies. Our data handling is also subject to contractual obligations and industry standards.

The U.S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use, and storage of data relating to individuals and businesses, including the use of contact information and other data for marketing, advertising, and other communications with individuals and businesses. In the United States, various laws and regulations apply to the collection, processing, disclosure, and security of certain types of data, including the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the Gramm Leach Bliley Act, FERPA, HIPAA, and the now in question E.U.-U.S. and Swiss—U.S. Privacy Shield protections, as well as state laws relating to privacy and data security. Additionally, the FTC and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the online collection, use, dissemination, and security of data. For example, California enacted the California Consumer Protection Act (CCPA), which took effect on January 1, 2020 and became enforceable by the California Attorney General on July 1, 2020, and broadly defines personal information. The CCPA creates new individual privacy rights for consumers (as that term is broadly defined) and places increased privacy and security obligations on entities handling personal data of consumers or households. The CCPA requires covered companies to provide certain disclosures to California consumers about its data collection, use and sharing practices, provide such consumers with ways to opt-out of certain sales or transfers of personal information, provides for civil penalties for violations, and allows for a new private right of action for data breaches that has resulted in an increase in data breach litigation. It remains unclear, however, how the CCPA will be interpreted. As currently written, it will likely impact our business activities and exemplifies the vulnerability of our business to not only cyber threats but also the evolving regulatory environment related to personal data and protected health information. On August 24, 2022, the California Attorney General announced the entry of a final judgment enforcement action resulting in a fine and settlement under the CCPA, as the defendant was ordered to pay a $1.2 million penalty and, among other things, implement a monitoring and reporting program to demonstrate its ongoing compliance with the CCPA.

Additionally, a new California ballot initiative, the California Privacy Rights Act (CPRA) was passed in November 2020. Effective starting on January 1, 2023, the CPRA imposed additional obligations on companies covered by the legislation and significantly modified the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also created a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. The effects of the CCPA and the CPRA are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation.

The laws and regulations relating to privacy and data security are evolving, can be subject to significant change, and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. The CCPA, in particular, has prompted a number of proposals for new federal and state-level privacy legislation, which could increase our potential liability and adversely affect our business. Virginia became the second state after California to enact a broad privacy law with the passage of the Virginia Consumer Data Protection Act (CDPA) on March 2, 2021. The CDPA contains several new requirements for covered companies that may add operational challenges, including a greater emphasis on transparency, broader affirmative consent or opt-in requirements to process sensitive personal data, broader opt-out rights and data protection assessment requirements for certain sales of personal data as well as targeted advertising and profiling, and an appeal process for denials of consumer rights requests. The law took effect January 1, 2023, the same day as the CPRA. Colorado became the third state with the passage of the Colorado Privacy Act (CPA) on July 8, 2021. Like the CDPA, the CPA provides consumers the right to opt out of processing for sales of personal data, targeted advertising, and profiling, provides the right to appeal a business' denial to take action, among other new consumer rights, requires data protection assessments for certain processing activities, and, unlike the CDPA, grants the Attorney General rulemaking powers. The law took effect on July 1, 2023. Unlike in California, neither law provides for a private right of action. We anticipate that more states may enact legislation similar to the CCPA, which provides consumers with new privacy rights and increases the privacy and security obligations of entities handling certain personal information of such consumers. For example, the Utah Consumer Privacy Act became law on March 24, 2022. The Utah legislation most closely mirrors Virginia's CDPA and will go into effect on December 31, 2023. Oregon enacted a rigorous privacy law – the Oregon Consumer Privacy Act (OCPA) – that will go into effect on July 1, 2024. The OCPA incorporates

provisions from the CPA and its unique rules, elements of the Connecticut Data Privacy Act, and an amalgamation of other laws while also introducing its own unique requirements. Such proposed legislation, if enacted, may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

Many of the foreign jurisdictions where we or our clients operate or conduct business, including the E.U., have laws and regulations dealing with the collection, use, storage, and disclosure and other handling (collectively, processing) of personal information, which in some cases are more restrictive than those in the U.S. In addition to regulating the processing of personal information within the relevant jurisdictions, these legal requirements often also apply to the processing of personal information outside these jurisdictions, where there is some specified link to the relevant jurisdiction. For example, we have multiple offices in Europe and serves clients and their customers throughout the E.U., where the General Data Protection Regulation (GDPR) went into effect in 2018. The GDPR, which is also the law in Iceland, Norway, Liechtenstein, and—to a large degree—the U.K., has an extensive global reach and imposes robust obligations relating to the processing of personal information, including documentation requirements, greater control for data subjects (e.g., the “right to be forgotten” and data portability), security requirements, notice requirements, restrictions on sharing personal information, data governance obligations, data breach notification requirements, and restrictions on the export of personal information to most other countries. The solutions that we currently offer subject us to many of these laws and regulations in many of the foreign jurisdictions where we operate or conduct business, and these laws and regulations may be modified or subject to new or different interpretations, and new laws and regulations may be enacted in the future.

Recent legal developments have created compliance uncertainty regarding some transfers of personal information from the U.K. and EEA to locations where we or our clients operate or conduct business, including the United States and potentially Singapore, particularly with respect to cross-border transfers. Under the GDPR, such transfers can take place only if certain conditions apply or if certain data transfer mechanisms are in place. In July 2020, the Court of Justice of the E.U. ruled in its “*Schrems II*” decision (C-311/18), that the Privacy Shield, a transfer mechanism used by thousands of companies to transfer data between those jurisdictions and United States (and also used by us), was invalid and could no longer be used due to the strength of United States surveillance laws. In September 2020, the Federal Data Protection and Information Commissioner of Switzerland (where the law has a similar restriction on the export of personal information) issued an opinion concluding that the Swiss-U.S. Privacy Shield Framework does not provide an adequate level of protection for data transfers from Switzerland to the United States pursuant to Switzerland’s Federal Act on Data Protection. We and our clients continue to use alternative transfer strategies, including the European Commission’s Standard Contractual Clauses (SCCs), while the authorities interpret the *Schrems II* decision and the validity of alternative data transfer mechanisms. The SCCs, though previously approved by the European Commission, have faced challenges in European courts (including being called into question in the *Schrems II* decision), and may be further challenged, suspended or invalidated for transfers to some or all countries. For example, guidance regarding *Schrems II* issued by the European Data Protection Board (which is comprised of representatives from every E.U. member state’s top data protection authority) have cast serious doubt on the validity of SCCs for most transfers of personal information to the United States. At present, there are few if any viable alternatives to the Privacy Shield and the SCCs, so such developments may necessitate further expenditures on local infrastructure, changes to internal business processes, changes to clients and clients' customer facing solutions, or may otherwise affect or restrict our sales and operations.

On June 4, 2021, the European Commission released the final Implementing Decision on SCCs (New SCCs) for the transfer of personal data from the E.U. to “third countries” such as the US. The New SCCs will repeal and replace the existing SCCs (dating from 2001, 2004 and 2010) and address the entry into force of the GDPR) and the July 2020 decision of the CJEU in Schrems II, which invalidated the E.U.-U.S. Privacy Shield. The New SCCs broadly follow the draft implementing decision on standard contractual clauses (Draft SCCs) issued by the European Commission on November 12, 2020, but there are some material differences. The Draft SCCs’ significant and extensive new requirements for data importers that act as controllers (for example, obligations to give notice to data subjects and to notify personal data breaches to EU authorities) remain, but have been aligned more closely with the GDPR requirements. While the New SCCs are not immediately in force, compliance with them will be required for new transfer agreements entered into from late September 2021. SCCs then in effect were required to be replaced with the New SCCs by December 27, 2022.

On July 10, 2023, the European Commission formally approved the new EU-U.S. Data Privacy Framework (the “Framework”), under which European entities will now be able to transfer personal data to Framework participants in the U.S. without having to put in place additional data protection safeguards or use the Standard Contractual Clauses for data transfers. We are in the process of evaluating how we may self-certify as a participating organization with the U.S. Department of Commerce.

E.U. data protection authorities have the power to impose administrative fines for violations of the GDPR of up to a maximum of €20 million or 4% of a corporate family’s total worldwide global turnover for the preceding fiscal year, whichever is higher. Such penalties are in addition to any civil litigation claims by clients, data subjects or other third parties. We believe that the solutions that we currently offer subject us to the GDPR and other laws and regulations relating to privacy, data protection, and information security, and these may be modified or subject to new or different interpretations in the future. We will need to take steps to address compliance obligations in this rapidly evolving legal environment, but we cannot assure you that we will be able to implement changes in a timely manner or without significant disruption to our business, or that such steps will be effective, and we may face the risk of liability and loss of business.

In addition, further to the U.K. exit from the E.U. on January 31, 2020, the GDPR ceased to apply in the U.K. at the end of the transition period on December 31, 2020. However, as of January 1, 2021, the U.K.’s European Union (Withdrawal) Act 2018 incorporated the GDPR (as it existed on December 31, 2020 but subject to certain U.K. specific amendments) into U.K. law (referred to as the U.K. GDPR). The U.K. GDPR and the U.K. Data Protection Act 2018 set out the U.K.’s data protection regime, which is independent from but aligned to the E.U.’s data protection regime. Non-compliance with the U.K. GDPR may result in monetary penalties of up to £17.5 million or 4% of worldwide revenue, whichever is higher. Like the GDPR, the U.K. GDPR restricts personal data transfers outside the U.K. to countries not regarded by the U.K. as providing adequate protection (this means that personal data transfers from the U.K. to the EEA remain free flowing).

On June 28, 2021, the European Commission adopted an adequacy decision under the GDPR, thereby recognizing that the U.K.’s data protection system continues to provide the same protections with respect to personal data as when it was an EU member state, and enabling the continued exchange of personal data between the E.U. and the U.K. The adequacy decision facilitates the implementation of the E.U.-U.K. Trade Cooperation Agreement, which foresaw the need for bilateral data flow and continued cooperation. The adequacy decision does, however, include a ‘sunset clause’, limiting its duration to four years, at which point the European Commission will need to once again review the safeguards in place in the U.K.’s post-Brexit legal system and decide if the adequacy decision may be renewed.

This lack of clarity on future U.K. laws and regulations and their interaction with E.U. laws and regulations could add legal risk, uncertainty, complexity and cost to our handling of E.U. personal information and our privacy and data security compliance programs. It is possible that over time the U.K. Data Protection Act 2018 could become less aligned with the GDPR, which could require us to implement different compliance measures for the U.K. and the E.U. and result in potentially enhanced compliance obligations for E.U. personal data.

In Asia, there has been an increase in both regulation and enforcement of privacy laws. The Act on Protection of Personal Information originally enacted in June 2020 by the Japanese government, was amended and came into effect on April 1, 2022 (Amended APPI). Since the passage of the Amended APPI, a number of implementing regulations and supporting documents have been released, addressing the requirements for transferring personal data outside Japan, notifying security breaches and creating pseudonymous information exempt from certain obligations under the Amended APPI. We have taken steps to address compliance obligations that apply to us under the Amended APPI, but cannot assure you that such steps will be effective, and we may face the risk of increased costs, liability and loss of business.

China (home to the most online users in the world), is one of the latest countries to pass a new omnibus privacy law. China passed its new Data Security Law (DSL) in June 2021 and its new Personal Information Protection Law (PIPL) in August 2021. The DSL applies to a wide range of data processing activities including, but not limited to, processing personal information. With extraterritorial scope and severe fines and penalties, these laws are set to impose an increasingly complex and comprehensive legal framework for processing personal information when doing business in China. The PIPL is enforced and administered by the Cyberspace Administration of China and relevant state and local government departments. The law draws from the GDPR, with heavy penalties up to the greater of 5% of the previous year’s revenue (possibly global) or $7.7 million. Chinese authorities have demonstrated a willingness to impose significant fines for violations of PIPL and other privacy laws, as evidenced by recent enforcement actions against Alibaba Group Holding Ltd and Didi Global Inc. in 2022.

As a reaction to data security concerns, the Australian parliament recently approved a bill to amend the country's privacy legislation, significantly increasing the maximum penalties for companies and data controllers who suffer large-scale data breaches to the greater of: (i) AU$50 million, (ii) three times the value of any benefit obtained through the misuse of information, and (iii) 30% of a company's adjusted turnover in the relevant period. Previously, the penalty for severe data exposures was AU$2.22 million, considered by the current parliament to be wholly inadequate to incentivize companies to improve their data security mechanisms. The Office of the Australian Information Commissioner will have

new regulatory tools and flexibility that should, together with an ongoing focus on funding, see a more proactive regulator with capacity and capability to investigate and litigate more privacy incidents in Australia.

We have taken steps to address compliance obligations that apply to us under the Amended APPI, the DSL, the PIPL and applicable Australian regulations, but cannot assure you that such steps will be effective, and we may face the risk of increased costs, liability and loss of business.

In addition to government regulation, privacy advocates and industry groups may propose new and different self-regulatory standards that, if adopted, may apply to us, or which clients or clients' customers may require us to adopt. Because the interpretation and application of privacy and data protection laws, regulations, rules, and other standards are still uncertain, it is possible that these laws, rules, regulations, and other actual or alleged legal obligations, such as contractual or self-regulatory obligations, may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the functionality of our solutions. If so, in addition to the possibility of fines, lawsuits and other claims, we could be required to fundamentally change our business activities and practices or modify our software, which could have an adverse effect on our business. Any failure or perceived failure by us to comply with laws, regulations, policies, legal, or contractual obligations, industry standards, or regulatory guidance relating to privacy or data security, may result in governmental investigations and enforcement actions, litigation, fines and penalties, or adverse publicity, and could cause our clients and partners to lose trust in us, which could have an adverse effect on our reputation and business. We expect that there will continue to be new proposed laws, regulations, and industry standards relating to privacy, data protection, marketing, consumer communications, and information security, and we cannot determine the impact such future laws, regulations, and standards may have on our business. Future laws, regulations, standards, and other obligations or any changed interpretation of existing laws or regulations could impair our ability to develop and market new functionality and maintain and grow our client base and increase revenue. Future restrictions on the collection, use, sharing, or disclosure of data, or additional requirements for express or implied consent of our clients, partners, or end users for the use and disclosure of such information could require us to incur additional costs or modify our solutions, possibly in a material manner, and could limit our ability to develop new functionality.

If we are not able to comply with these laws or regulations, or if we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain solutions, which would negatively affect our business, financial condition, and operating results. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise adversely affect the growth of our business. Furthermore, any costs incurred as a result of this potential liability could harm our operating results.

We are subject to anti-corruption, anti-bribery, and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business.

We are subject to the FCPA, the U.K. Bribery Act, U.S. domestic bribery laws, and other anti-corruption laws. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, and their third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public sector. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. We maintain operations and serve clients in several countries around the world. Although we do not target government entities as clients, some of our clients may receive funding or other support from local, state, provincial or national governments. As we maintain and seek to increase our international cross-border business and expand operations abroad, we may engage with business partners and third-party intermediaries to market our services and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our FlyMates, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities.

While we maintain policies and training programs for our FlyMates related to anti-corruption, anti-bribery and gift giving, and include representations regarding legal compliance in our contracts with vendors and strategic partners, there can be no assurances that these policies, training programs or contractual provisions will be observed or enforceable. We cannot assure you that all of our FlyMates and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. As we increase our international business, our risks under these laws may increase.

Detecting, investigating, and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources, and attention from senior management. In addition, noncompliance with anti-corruption or

anti-bribery laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties, injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas are received or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our business, operating results, and financial condition could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees.

In February 2022, following Russia's invasion of Ukraine, the United States and other countries announced sanctions against Russia. The sanctions announced by the United States and other countries against Russia to date include restrictions on selling or importing goods, services or technology in or from affected regions, travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia, severing Russia's largest bank from the U.S. financial system, barring some Russian enterprises from raising money in the U.S. market and blocking the access of Russian banks to financial markets. The United States and other countries could impose wider sanctions and take other actions should the conflict further escalate. While it is difficult to anticipate the impact the sanctions announced to date may have on us, any further sanctions imposed or actions taken by the United States or other countries, and any retaliatory measures by Russia in response, could increase our costs, reduce our sales and earnings or otherwise have an adverse effect on our operations.

If we fail to adequately protect our proprietary rights, our competitive position could be impaired and we may lose valuable assets, generate less revenue and incur costly litigation to protect our rights.

Our success is dependent, in part, upon protecting our proprietary technology. We rely on a combination of copyrights, trademarks, service marks, trade secret laws, the domain name dispute resolution mechanism, confidentiality procedures, and contractual provisions to establish and protect our proprietary rights. However, effective protection of intellectual property rights is expensive, both in terms of application and maintenance costs, as well as the costs of defending and enforcing those rights, and the steps we take to protect our intellectual property may be inadequate. We do not have patents covering any of our technology and do not actively pursue patents. Any of our trademarks, or other intellectual property rights may be challenged or circumvented by others, or narrowed or invalidated through administrative process or litigation. There can be no guarantee that others will not independently develop similar solutions or duplicate any of our solutions. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our solutions and use information that we regard as proprietary to create solutions that compete with ours.

We pursue registration of copyrights, trademarks, and domain names in the United States and in certain jurisdictions outside of the United States, but doing so may not always be successful or cost-effective. We may be unable or, in some instances, choose not to obtain legal protection for our intellectual property, and our existing and future intellectual property rights may not provide us with competitive advantages or distinguish our solutions from those of our competitors. The laws of some foreign countries may not protect our intellectual property rights to the same extent as the laws of the United States, and effective intellectual property protection and mechanisms may be uncertain or unavailable in those jurisdictions. We may need to expend additional resources to defend our intellectual property in such countries, and the inability to do so could impair our business or adversely affect our international expansion. Particularly given the international nature of the Internet, the rate of growth of the Internet, and the ease of registering new domain names, we may not be able to detect unauthorized use of our intellectual property or take prompt enforcement action.

We endeavor to enter into agreements with our FlyMates, consultants and contractors and with parties with whom we do business in order to acquire intellectual property rights developed as a result of service to us, as well as to limit access to and disclosure of our proprietary information. No assurance can be given that our intellectual property related agreements with our FlyMates, consultants, contractors clients, their customers, or strategic partners and others will be effective in controlling access to and distribution of our solutions and proprietary information, potentially resulting in the unauthorized use or disclosure of our trade secrets and other intellectual property, including to our competitors, which could cause us to lose any competitive advantage resulting from this intellectual property. Further, these agreements do not prevent our competitors or partners from independently developing technologies that are substantially equivalent or superior to our solutions. In addition, individuals not subject to invention assignment agreements may make adverse ownership claims to our current and future intellectual property.

To protect our intellectual property rights, we may be required to spend significant resources to monitor, protect and defend these rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property

rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our solutions, impair the functionality of our solutions, delay introductions of new features, integrations, and capabilities, result in our substituting inferior or more costly technologies into our solutions, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new features, integrations, and capabilities, and we cannot be certain that we could license that technology on commercially reasonable terms or at all, and our inability to license this technology could harm our ability to compete.

We may in the future be subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.

We may in the future become subject to intellectual property disputes. Lawsuits are time-consuming and expensive to resolve and they divert management's time and attention. We cannot predict the outcome of lawsuits and cannot assure you that the results of any such actions will not have an adverse effect on our business, operating results, or financial condition. During litigation, we may become subject to provisional rulings, including preliminary injunctions requiring us to cease some or all of our operations. We may decide to settle legal disputes on terms that are unfavorable to us. Furthermore, such disputes, even those without merit, may subject us to an unfavorable judgment that we may not choose to appeal or that may not be reversed upon appeal. In such a situation, we could be required to pay substantial damages or license fees to third party patent owners. In addition, we may also be required to modify, redesign, reengineer, or rebrand our solutions, or stop making, licensing, or providing solutions that incorporate the asserted intellectual property. Alternatively, we may enter into a license agreement to continue practices found to be in violation of a third party's rights. If we are required, or choose to enter into, royalty or licensing arrangements, such arrangements may not be available on reasonable terms or at all. In addition, we may also be contractually obligated to indemnify our clients in the event of infringement of a third party's intellectual property rights.

Our use of "open source" software could negatively affect our ability to offer and sell access to our solutions and subject us to possible litigation.

We use open source software in our solutions and expect to continue to use open source software in the future. There are uncertainties regarding the proper interpretation of and compliance with open source licenses, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to use such open source software, and consequently to provide or distribute our solutions. Although use of open source software has historically been free, recently several open source providers have begun to charge license fees for use of their software. If our current open source providers were to begin to charge for these licenses or increase their license fees significantly, this would increase our research and development costs and have a negative impact on our results of operations and financial condition.

Additionally, we may from time to time face claims from third parties claiming ownership of, or seeking to enforce the terms of, an open source license, including by demanding release of source code for the open source software, derivative works or our proprietary source code that was developed using, or that is distributed with, such open source software. These claims could also result in litigation and could require us to make our proprietary software source code freely available, require us to devote additional research and development resources to change our solutions or incur additional costs and expenses, any of which could result in reputational harm and would have a negative effect on our business and operating results. In addition, if the license terms for the open source software we utilize change, we may be forced to reengineer our solutions or incur additional costs to comply with the changed license terms or to replace the affected open source software. Further, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software or indemnification for third party infringement claims. Although we have implemented policies to regulate the use and incorporation of open source software into our solutions, we cannot be certain that we have not incorporated open source software in our solutions in a manner that is inconsistent with such policies.

Indemnity and liability provisions in various agreements potentially expose us to substantial liability for intellectual property infringement, data protection, and other losses.

Our agreements with some of our technology partners and certain clients include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, data protection, damages caused by us to property or persons, or other liabilities relating to or arising from our solutions or other contractual obligations. Some of these indemnity agreements provide for uncapped liability and some indemnity provisions survive termination or expiration of the applicable agreement. Large indemnity payments could harm our

business, operating results, and financial condition. We may incur substantial liability, and we may be required to cease use of certain functions of our solutions, as a result of intellectual property related claims. Any dispute with a client or technology partner with respect to these obligations could have adverse effects on our relationship with that client or technology partner and other existing or new clients or technology partners, and harm our business and operating results. In addition, although we carry insurance, our insurance may not be adequate to indemnify us for all liability that may be imposed, or otherwise protect us from liabilities or damages with respect to claims alleging compromises of client or clients' customer data, and any such coverage may not continue to be available to us on acceptable terms or at all.

New or revised tax regulations, unfavorable resolution of tax contingencies or changes to enacted tax rates could adversely affect our tax expense.

As a multinational organization, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application, interpretation and enforcement of which can be uncertain. Changes in tax laws or their interpretations could result in changes to enacted tax rates and may require complex computations to be performed that were not previously required, significant judgments to be made in interpretation of the new or revised tax regulations and significant estimates in calculations, as well as the preparation and analysis of information not previously relevant or regularly produced. Future changes in enacted tax rates could negatively affect our results of operations.

For example, the recently enacted Inflation Reduction Act of 2022 includes a minimum tax equal to fifteen percent of the adjusted financial statement income of certain corporations as well as a one percent excise tax on share buybacks, effective for tax years beginning in 2023. When effective, it is possible that the minimum tax could result in an additional tax liability over the regular federal corporate tax liability in a given year based on differences between book and taxable income (including as a result of temporary differences).

The vast majority of states have considered or adopted laws that impose tax collection obligations on out-of-state companies. States where we have nexus may require us to calculate, collect, and remit taxes on sales in their jurisdiction. Additionally, the Supreme Court of the United States recently ruled in South Dakota v. Wayfair, Inc. et al (Wayfair) that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer’s state. In response to Wayfair, or otherwise, states or local governments may enforce laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions. We may be obligated to collect and remit sales and use tax in states in which we have not collected and remitted sales and use tax. A successful assertion by one or more states requiring us to collect taxes where we historically have not or presently do not do so could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by state governments or local governments of sales tax collection obligations on out-of-state sellers could also create additional administrative burdens for us, put us at a perceived competitive disadvantage if they do not impose similar obligations on our competitors, and decrease our future sales, which could adversely affect our business and operating results.

Relevant foreign taxing authorities may disagree with our determinations as to whether we have established a taxable nexus, often referred to as a “permanent establishment”, or the income and expenses attributable to specific jurisdictions. In addition, these authorities may take aggressive tax recovery positions that the funds flows we process are subject to value added tax or goods and services tax. If disagreements with relevant taxing authorities on other unknown matters were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations.

Our tax returns and positions are subject to review and audit by federal, state, local and international taxing authorities. An unfavorable outcome to a tax audit could result in higher tax expense, thereby negatively affecting our results of operations and cash flows. We have recognized estimated liabilities on the balance sheet for material known tax exposures relating to deductions, transactions and other matters involving some uncertainty as to the proper tax treatment of the item. These liabilities reflect what we believe to be reasonable assumptions as to the likely final resolution of each issue if raised by a taxing authority. While we believe that the liabilities are adequate to cover reasonably expected tax risks, there can be no assurance that, in all instances, an issue raised by a tax authority will be finally resolved at a financial amount no more than any related liability. An unfavorable resolution, therefore, could negatively affect our financial position, results of operations and cash flows in the current and/or future periods.

Our ability to use our net operating losses (NOL) to offset future taxable income may be subject to certain limitations.

As of June 30, 2023, we had U.S. federal NOL carryforwards of approximately $95.6 million and state NOL carryforwards of approximately $96.1 million. The federal and material state NOL carryforwards will begin to expire in

2030 and 2024, respectively. In general, under Sections 382 and 383 of the United States Internal Revenue Code of 1986, as amended (Code), a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its pre-change NOLs and other tax attributes such as research tax credits to offset future taxable income. An “ownership change” pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5% of the company’s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. If it is determined that we have in the past experienced an ownership change including, but not limited to, as a result of our initial public offering, or if we undergo one or more ownership changes as a result of future transactions in our stock, then our ability to utilize NOLs and other pre-change tax attributes could be limited by Sections 382 and 383 of the Code. Future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Sections 382 or 383 of the Code. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. For these reasons, we may not be able to utilize a material portion of the NOLs, even if we were to achieve profitability.

During 2022, we completed a Section 382 study from January 1, 2010, the first day of the first taxable year that we had NOL carryforwards, through June 30, 2021. During this period, we underwent two ownership changes for Section 382 purposes. The ownership changes occurred on June 29, 2011 (the June 2011 Change) and July 12, 2013 (the July 2013 Change) as result of our issuance and sale of preferred stock. Approximately $14.9 million of NOLs were generated through December 31, 2013. As a result of the ownership changes, all of Flywire's NOLs as of the June 2011 Change and the July 2013 Change are subject to limitation under Section 382, of which $1.6 million NOLs will expire unutilized, assuming sufficient taxable income is generated in the future. Additionally, we completed a Section 382 study for Simplificare (Simplee) which we acquired in February 2020. The study was completed for the periods from August 26, 2010, the inception of Simplee, through February 13, 2020, the date that we acquired Simplee. During this period, Simplee underwent four ownership changes. The ownership changes occurred on October 27, 2010, April 13, 2011, May 10, 2012 (the May 2012 Change), all in connection with the issuance and sale of preferred stock, and February 13, 2020 (the February 2020 Change), in connection with its complete acquisition by Flywire. Approximately $35.7 million of NOLs were generated through February 13, 2020. As a result of the ownership changes, all of Simplee’s NOLs as of the May 2012 Change and the February 2020 Change are subject to limitation under Section 382, of which $0.2 million NOLs will expire unutilized, assuming sufficient taxable income is generated in the future.

Under the Tax Cuts and Jobs Act enacted in 2017 (Tax Act) as modified by the Coronavirus Aid, Relief, and Economic Security Act enacted in 2020 (CARES Act), U.S. federal NOL carryforwards generated in taxable periods beginning after December 31, 2017 may be carried forward indefinitely, but the deductibility of such NOL carryforwards in taxable years beginning after December 31, 2020 is limited to 80% of taxable income. In addition, federal NOLs arising in tax years ending after December 31, 2017 can be carried forward indefinitely, but carryback is generally prohibited. NOLs generated in tax years beginning before January 1, 2018 will not be subject to the taxable income limitation, and NOLs generated in tax years ending before January 1, 2018 will continue to have a two-year carryback and twenty-year carryforward period. Deferred tax assets for NOLs will need to be measured at the applicable tax rate in effect when the NOL is expected to be utilized. Similar rules may apply under state tax laws. The changes in the carryforward/carryback periods as well as the new limitation on use of NOLs may significantly impact our valuation allowance assessments for NOLs generated after December 31, 2017.

Risks Related to Being a Public Company

As a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting, and if we fail to develop and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank), the listing requirements of The Nasdaq Global Select Market (Nasdaq), and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time consuming, or costly, and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. It may require significant resources and management oversight to maintain and, if necessary, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business and operating results. To

comply with these requirements, we may need to hire more employees in the future or engage outside consultants, which would increase our costs and expenses.

As a "large accelerated" filer, we are required, pursuant to Section 404 of the Sarbanes-Oxley Act (Section 404), to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting and our independent registered public accounting firm will be required to issue an opinion on the effectiveness of our internal control over financial reporting. We expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the auditor attestation requirements of Section 404. Furthermore, we will also have to file a more expansive proxy statement and are subject to shorter filing deadlines, which will require additional time and expense as well.

An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation. We are required to disclose changes made in our internal control and procedures on a quarterly basis. To comply with the requirements of being a public company, we have undertaken and may need to continue to undertake various actions, such as implementing new internal controls and procedures, hiring risk professionals, accounting and internal audit staff, and engaging outside consultants, which will increase our operating expenses.

We are actively engaged in the ongoing costly and challenging process of performing the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing, and any required remediation in a timely fashion. During the evaluation and testing process, if we identify material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective.

If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control, including as a result of a material weakness, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

Increased scrutiny from investors and others or changes in regulations regarding our environmental, social, governance, or sustainability responsibilities could result in additional costs or risks and adversely impact our reputation, employee retention, and willingness of partners, clients or our clients' customers to do business with us.

Investor advocacy groups, certain institutional investors, investment funds, other market participants, stockholders, and consumer groups have focused increasingly on ESG or "sustainability" practices of companies. These parties have placed increased importance on the implications of the social cost of their investments. We have convened a cross-functional working group to further enhance our commitment to sustainability and ESG, and recognize the importance of communicating our progress on ESG to our stakeholders. As part of its responsibilities, our ESG working group is assessing opportunities for communicating progress on our priority initiatives. However, if our ESG practices do not meet (or are viewed as not meeting) investor or other industry stakeholder expectations and standards, which continue to evolve, our brand, reputation and employee retention may be negatively impacted, including based on an assessment of our ESG practices. Any sustainability report that we publish or sustainability disclosure we make may include our policies and practices on a variety of social and ethical matters, including corporate governance, community involvement, environmental compliance, employee health and safety practices, cybersecurity and privacy, human capital management, and workforce equity, inclusion and diversity. It is possible that stakeholders may not be satisfied with our ESG practices or the speed of their adoption. We could also incur additional costs and require additional resources to monitor, report, and comply with various ESG practices. Also, our failure, or perceived failure, to meet the standards included in any sustainability disclosure could negatively impact our reputation, employee retention, and the willingness of our partners, clients or our clients' customers to do business with us.

In addition, increasing governmental interest in, and public awareness of, the impacts and effects of climate change and greater emphasis on sustainability by federal, state, and international governments could lead to further regulatory efforts to address the carbon impact of housing and travel. In particular, the current regulatory landscape regarding climate change (including disclosure requirements and requirements regarding energy and water use and efficiency), both within the United States and in many other locations where we operate worldwide, is evolving at a pace, and is likely to continue to develop in ways, that require our business to adapt. Many U.S. states, either individually or through multi-state regional initiatives, have begun to address greenhouse gas emissions, including disclosure requirements relating thereto, and some U.S. states have also adopted various ESG-related efforts, initiatives and requirements. As a result, governments may enact new laws and regulations and/or view matters or interpret laws and regulations differently than they have in the past, including laws and regulations which are responsive to ESG trends or otherwise seek to reduce the carbon emissions relating to travel and set minimum energy efficiency requirements, which could materially adversely affect our business, results of operations, and financial condition. The legislative landscape continues to be in a state of constant change as well as legal challenge with respect to these laws and regulations, making it difficult to predict with certainty the ultimate impact they will have on our business in the aggregate.

We will continue to incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we will continue to incur significant legal, accounting, and other expenses as a result of operating as a public company, which we expect to further increase during 2023 as a result of becoming a "large accelerated" filer. The Sarbanes-Oxley Act, Dodd-Frank, the listing requirements of the Nasdaq, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements and interacting with public company investors and securities analysts. These obligations and constituents require significant attention from our management team and could divert their attention away from the day-to-day management of our business, which could harm our business, operating results, and financial condition. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the specific timing of such costs.

Risks Related to Ownership of Our Common Stock

The price of our common stock may be volatile or may decline regardless of our operating performance and you may not be able to resell your shares at or above the price you paid for them.

An active or liquid market in our common stock may not be sustainable. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- overall performance of the equity markets;
- our operating performance and the performance of other similar companies;
- delays in the roll out of new solutions;
- changes in our projected operating results that we provide to the public, our failure to meet these projections or changes in recommendations by securities analysts that elect to follow our common stock;
- regulatory actions with respect to our payment solutions;
- regulatory or legal developments in the United States and other countries;
- the level of expenses related to our solutions;
- announcements of acquisitions, strategic alliances or significant agreements by us or by our competitors;
- developments or disputes concerning patent applications, issued patents or other intellectual property or proprietary rights;
- recruitment or departure of key personnel;

- the economy as a whole and market conditions in our industry, including conditions resulting from the lingering effects of the COVID-19 pandemic;
- political or social unrest, war or other military conflict, including an escalation of the conflict between Russia and Ukraine, economic instability, repression, or human rights issues;
- variations in our financial results or the financial results of companies that are perceived to be similar to us;
- financing or other corporate transactions, or inability to obtain additional funding;
- changes in the structure of payment systems;
- effects of ongoing United States-China diplomatic and trade friction;
- trading activity by a limited number of stockholders who together beneficially own a majority of our outstanding common stock;
- the expiration of market standoff or contractual lock-up agreements;
- the size of our market float; and
- any other factors discussed in this Quarterly Report on Form 10-Q and our other SEC filings.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies.

Concerns over economic recession, the ongoing effects of the COVID-19 pandemic, interest rate increases and inflation, supply chain delays and disruptions, policy priorities of the U.S. presidential administration and Congress, trade wars, unemployment, or prolonged government shutdown may contribute to increased volatility and diminished expectations for the economy and markets. Additionally, concern over geopolitical issues may also contribute to prolonged market volatility and instability. For example, the conflict between Russia and Ukraine could lead to disruption, instability and volatility in global markets and industries. The U.S. government and other governments in jurisdictions have imposed severe economic sanctions and export controls against Russia and Russian interests, have removed Russia from the SWIFT system, and have threatened additional sanctions and controls. The full impact of these measures, as well as potential responses to them by Russia, is unknown.

Stock prices of many companies, and technology companies in particular, have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business.

Raising additional capital may cause dilution to our existing stockholders, restrict our operations or require us to relinquish rights to our intellectual property on unfavorable terms to us.

Until such time, if ever, as we can generate substantial revenue, we may finance our cash needs through a combination of equity offerings, government or private party grants, debt financings and strategic partnership agreements. We may seek additional capital through a variety of means, including through strategic partnership arrangements, public or private equity or debt financings, third-party funding and marketing and distribution arrangements, as well as other strategic alliances and licensing arrangements or any combination of these approaches. However, disruptions in the capital markets, particularly with respect to financial technology companies, could make any financing more challenging, and there can be no assurance that we will be able to raise capital on commercially reasonable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation preferences or other rights, powers or preferences that may adversely affect your rights as a stockholder. To the extent that debt financing is available, and we choose to raise additional capital in the form of debt, such debt financing may involve agreements that include covenants limiting or restricting our ability to take certain actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional capital pursuant to collaborations, licensing arrangements or other strategic partnerships, such agreements may require us to relinquish rights to our technologies.

If we are unable to raise additional funds through equity or debt financing or through collaborations or strategic partnerships when needed, we may be required to delay, limit, reduce or terminate the development of our solutions or commercialization efforts.

We may allocate our cash and cash equivalents in ways that you and other stockholders may not approve.

Our management has broad discretion in the application of our cash and cash equivalents. Because of the number and variability of factors that determine our use of our cash and cash equivalents, their ultimate use may vary substantially from their currently intended use. Our management might not apply cash and cash equivalents in ways that ultimately increase the value of your investment. The failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest our cash and cash equivalents in short-term, investment-grade, interest-bearing securities. These investments may not yield a favorable return to our stockholders. If we do not invest or apply our cash and cash equivalents in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause our stock price to decline.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If industry analysts cease coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline.

Sales of substantial amounts of our common stock in the public markets could cause the market price of our common stock to decline.

The price of our common stock could decline if there are substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, or if there is a large number of shares of our common stock available for sale and the market perceives that sales will occur. We had a total of 109,911,468 shares of our voting common stock and 1,873,320 shares of our non-voting common stock outstanding as of June 30, 2023. Other than shares held by directors, executive officers and other affiliates that are subject to volume limitations under Rule 144 under the Securities Act and various vesting agreements, these shares of common stock generally are freely tradable without restrictions or further registration under the Securities Act.

Certain of our stockholders will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders, subject to market standoff and lock-up agreements. We registered shares of common stock that we have issued and may issue under our equity incentive plans. These shares will be able to be sold freely in the public market upon issuance, subject to securities laws.

The market price of the shares of our common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market or the perception in the market that the holders of a large number of shares intend to sell their shares.

The concentration of our stock ownership will likely limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring stockholder approval.

As of June 30, 2023, our current executive officers, directors and the holders of more than 5% of our outstanding voting and non-voting common stock, in the aggregate, beneficially owned a significant percentage of our outstanding voting and non-voting common stock. As a result, these stockholders, acting together, will have significant influence over all matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions. Corporate actions might be taken even if other stockholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of our company that other stockholders may view as beneficial.

We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividend on our common stock and do not currently intend to do so for the foreseeable future. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, our senior secured revolving credit syndication loan currently prohibits us from paying dividends on our equity securities, and any future debt financing arrangement may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Any return to stockholders will therefore be limited to the appreciation of their stock. Therefore, the success of an investment in shares of our common stock will depend upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law (DGCL) may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by a majority vote of our entire board of directors, the chairman of our board of directors or our chief executive officer, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation or our amended and restated bylaws, which may inhibit the ability of an acquiror to effect such amendments to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

In addition, as a Delaware corporation, we are subject to Section 203 of the DGCL. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time. A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of this provision.

These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirors to obtain control of our board of

directors or initiate actions that are opposed by our then-current board of directors, including delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or FlyMates.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the DGCL, our certificate of incorporation or our bylaws or any action asserting a claim against us that is governed by the internal affairs doctrine. This provision would not apply to claims brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our amended and restated certificate of incorporation provides further that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. These choices of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other FlyMates and may discourage these types of lawsuits. Furthermore, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive-forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find the exclusive-forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Chief Financial Officer Transition

On August 8, 2023, we announced that Michael Ellis, our Chief Financial Officer, would be transitioning from Flywire in 2024. We plan to commence a search for a new Chief Financial Officer. Mr. Ellis has agreed to continue to serve as Chief Financial Officer as a successor is identified and a transition period is undertaken, which is currently expected to take place in 2024 (such date, when determined, being the “Transition Date”). Mr. Ellis’ continued services during the Transition Date will help support the successful transfer of responsibilities.

Rule 10b-5 Trading Plans

On May 17, 2023, Robert Orgel, our President and Chief Operating Officer, adopted a trading arrangement for the sale of shares of our common stock (a "Rule 10b-5 Trading Plan") that is intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c). Mr. Orgel's Rule 10b-5 Trading Plan provides for the sale of up to 303,399 shares of common stock pursuant to the terms of the plan. The plan is effective through August 31, 2024 unless earlier terminated in accordance with the terms of the plan.

On May 12, 2023, Michael Ellis, our Chief Financial Officer, adopted a Rule 10b-5 Trading Plan that is intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c). Mr. Ellis' Rule 10b-5 Trading Plan provides for the sale of up to 187,572 shares of common stock pursuant to the terms of the plan. The plan is effective through August 14, 2024 unless earlier terminated in accordance with the terms of the plan.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Flywire Corporation, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on June 1, 2021
3.2	Amended and Restated Bylaws of Flywire Corporation, incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on June 1, 2021
10.1*	Credit Agreement, dated July 29, 2021, as amended by the First Amendment to Credit Agreement dated June 23, 2023, by and among Flywire Corporation, the other Loan Parties party thereto from time to time, the Lenders party thereto from time to time, the Issuing Banks party thereto from time to time, and Citibank
10.14*	Office Lease, dated April 8, 2015, as amended by that certain First Amendment to Office Lease dated April 7, 2016, that certain Second Amendment to Office Lease dated October 23, 2018 and that certain Third Amendment to Office Lease dated May 1, 2023, by and between the Registrant and NS 141 Tremont LLC
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

SIGNATURES

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

FLYWIRE CORPORATION

Date: August 8, 2023	By:	/s/ Michael Massaro
		Michael Massaro **Chief Executive Officer and Director** **(Principal Executive Officer)**
Date: August 8, 2023	By:	/s/ Michael Ellis
		Michael Ellis **Chief Financial Officer** **(Principal Financial and Accounting Officer)**

Exhibit 10.1

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (together with the Exhibit attached hereto and incorporated herein by reference, this "**Amendment**"), dated as of June 23, 2023 (the "**Effective Date**"), amends that certain Credit Agreement, dated as of July 29, 2021, by and among, FLYWIRE CORPORATION, a Delaware corporation (the "**Borrower**"), the other loan parties party thereto, the lenders party thereto, the issuing banks party thereto and CITIBANK N.A., as administrative agent (in such capacity, the "**Administrative Agent**") (such agreement, as amended, restated, amended and restated, supplemented, renewed or otherwise modified from time to time prior to the date hereof, the "**Existing Agreement**", and the Existing Agreement, as amended, supplemented, renewed, reaffirmed, ratified or otherwise modified by this Amendment, the "**Amended Agreement**" and together with each Existing Document which is amended or otherwise modified by this Amendment, the "**Amended Documents**"). Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Exhibit attached hereto or the Existing Documents, as applicable.

RECITALS:

WHEREAS, certain loans or other extensions of credit under the Existing Agreement and/or other Existing Documents bear or are permitted to bear interest, or incur or are permitted to incur fees, commissions or other amounts, based on the London Interbank Offered Rate for U.S. Dollars ("**LIBOR**") in accordance with the terms of the Existing Agreement and/or the other Existing Documents;

WHEREAS, a benchmark transition event (or other analogous or similar event) or an early opt-in election (or other analogous or similar election) has occurred with respect to LIBOR and LIBOR has or will be replaced with Adjusted Term SOFR as an alternative benchmark rate for purposes of the Existing Agreement and the other Existing Documents for settings of benchmark rates that occur on or after the Transition Date (as defined in the Exhibit hereto) in accordance with the benchmark replacement provisions set forth in any applicable Existing Document, and pursuant thereto the Administrative Agent is exercising its right to make certain benchmark replacement conforming changes in connection with the implementation of the applicable benchmark replacement as set forth herein; and

WHEREAS, the amendments and modifications set forth in this Amendment constitute benchmark replacement conforming changes (or other similar conforming changes) for purposes of the Existing Agreement and the other Existing Documents;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the following shall be effective:

Article I.Amendment. Notwithstanding anything to the contrary contained in the Existing Agreement or in any other Existing Document, the Existing Agreement and each other applicable Existing Document are each hereby amended and modified to give effect to the definitions and provisions set forth on the Exhibit hereto on and as of the Effective Date.

Article II.Notice. To the extent that the Administrative Agent is required (pursuant to any Existing Document or otherwise) to provide notice to the Borrower, any Lender or any other party to the Existing Agreement of (i) a benchmark transition event (or other analogous or similar event) or an early opt-in election (or other analogous or similar election) with respect to LIBOR, (ii) a benchmark replacement date (or other analogous or similar date), (iii) the implementation of Adjusted Term SOFR as a benchmark

replacement (or other analogous or similar term) or (iv) any benchmark replacement conforming changes (or other similar conforming changes) in connection with the adoption and implementation of Adjusted Term SOFR or the use and administration thereof, this Amendment shall constitute such notice.

Article III.Miscellaneous.

Section 3.01 Survival. Except as expressly provided in this Amendment, all of the terms, provisions, covenants, agreements, representations and warranties and conditions of the Existing Agreement and the other Existing Documents shall be and remain in full force and effect as written, unmodified hereby. In the event of any conflict between the terms, provisions, covenants, representations and warranties and conditions of this Amendment, on the one hand, and the Existing Agreement or any other applicable Existing Document, on the other hand, this Amendment shall control.

Section 3.02 Severability. Any term or provision of this Amendment that is invalid, illegal or unenforceable in any jurisdiction shall, solely as to that jurisdiction, be ineffective solely to the extent of such invalidity, illegality or unenforceability without rendering invalid, illegal or unenforceable the remaining terms and provisions of this Amendment or affecting the validity, legality or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Section 3.03 Governing Law. This Amendment and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the jurisdiction that governs the Existing Agreement in accordance with the terms thereof.

Section 3.04 Entire Agreement. This Amendment, the Existing Agreement (as amended hereby) and the other applicable Existing Documents (as amended hereby) constitute the entire agreement among the parties to the Existing Agreement and such other applicable Existing Document with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and verbal, among such parties or any of them with respect to the subject matter hereof. Any exhibits or annexes attached hereto (including, without limitation, the Exhibit) are hereby incorporated herein by reference and made a part hereof.

Section 3.05 Binding Effect, Beneficiaries. This Amendment shall be binding upon and inure to the benefit of the parties to the Existing Agreement and each other applicable Existing Document and their respective heirs, executors, administrators, successors, legal representatives and assigns, and no other party shall derive any rights or benefits herefrom.

Section 3.06 Construction. This Amendment shall be construed without regard to any presumption or other rule requiring construction against the party drafting this Amendment.

Section 3.07 Notices. All notices relating to this Amendment shall be delivered in the manner and subject to the provisions set forth in the Existing Agreement.

Section 3.08 Electronic Execution. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (e.g., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” and words of like import in this Amendment shall be deemed to include electronic signatures or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided

for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 3.09 Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

Section 3.10 Reference to and Effect on the Existing Agreement and the Other Existing Documents. On and after the Effective Date, each reference in any Existing Document to such Existing Document and the use therein of "hereunder", "herein" or words of like import referring to such Existing Document, and each reference in the other Existing Documents to another Existing Document and the use therein of "thereunder", "thereof" or words of like import referring to such Existing Document, shall, in each case, mean and be a reference to such Existing Document as amended by this Amendment. Except as specifically amended by this Amendment, the Existing Agreement and the other Existing Documents shall remain in full force and effect (with the same priority, as applicable) and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent, any Lender or any other party under, the Amended Agreement, any of the other Amended Documents or otherwise. This Amendment shall be deemed to be a "Loan Document", "Credit Document", "Transaction Document", "Financing Agreement" or "Related Document" (or other analogous or similar defined term) for purposes of the Amended Agreement and the other Amended Documents.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective authorized officer(s) as of the day and year first above written.

CITIBANK, N.A., as Administrative Agent

By: /s/ Stephanie Epkins
Name: Stephanie Epkins
Title: Director

[Signature Page to First Amendment to Credit Agreement]

BORROWER:

FLYWIRE CORPORATION, a Delaware corporation

By: /s/ Peter Butterfield
Name: Peter Butterfield
Title: General Counsel & Chief Compliance Officer

[Signature Page to First Amendment to Credit Agreement]

EXHIBIT TO AMENDMENT
OPERATIVE TERMS FOR LIBOR REPLACEMENT WITH TERM SOFR

Notwithstanding anything to the contrary contained in the Existing Agreement or in any other Existing Document, the Existing Agreement and, solely to the extent applicable, each other Existing Document are each hereby amended and modified to give effect to the provisions set forth on this Exhibit.

Article IV. Discontinuance of LIBOR Referencing Credit Extensions.

Section 4.01 LIBOR Credit Extensions. Notwithstanding any provision of the Existing Agreement or any other Existing Document to the contrary, from and after the Transition Date, whether or not LIBOR is operational, reported, representative or otherwise available in the market as of such date, subject to Section 1.04 of this Exhibit: (a) no LIBOR Credit Extension shall be available, requested or made thereunder, (b) any request to continue or convert an existing Credit Extension to a LIBOR Credit Extension shall be ineffective and (c) any request for a new LIBOR Credit Extension, or to continue an existing LIBOR Credit Extension as a LIBOR Credit Extension, shall be ineffective.

Section 4.02 LIBOR Related Definitions and Provisions. Notwithstanding any provision of the Existing Agreement or any other Existing Document to the contrary, subject to the provisions of Sections 1.01, 1.03, 1.04 and 2.02 of this Exhibit, from and after the Transition Date, (a) the LIBOR Related Definitions shall be deemed deleted from the Existing Agreement and each other applicable Existing Document and of no further force or effect, and (b) the LIBOR Related Provisions (other than LIBOR Related Provisions of the type described in clause (b)(v) of the definition thereof) shall be deemed to be amended or modified, as applicable, such that any such LIBOR Related Provision shall no longer refer to or have effect as it relates to (i) LIBOR, (ii) any LIBOR Related Definition, (iii) any LIBOR Referencing Credit Extension, (iv) any other LIBOR Related Provision, or (v) dates, times, activities or other matters relating to London or the United Kingdom to the extent primarily related to the determination, administration or calculation of LIBOR.

Section 4.03 Fees, Costs or Other Amounts. Notwithstanding any provision of the Existing Agreement or any other Existing Document to the contrary, except to the extent otherwise explicitly provided pursuant to the provisions of Article II of this Exhibit, to the extent that any fee, cost, expense, all-in-yield or other amount under the Existing Agreement or any other Existing Document is based upon or calculated with reference to LIBOR, from and after the Transition Date, such fee, cost, expense, all-in-yield or other amount shall be deemed to refer to Adjusted Term SOFR in lieu of LIBOR.

Section 4.04 Prior LIBOR Referencing Credit Extensions. The foregoing provisions of Article I of this Exhibit shall not apply with respect to any (a) LIBOR Credit Extension requested, made or outstanding at any time prior to the Transition Date (and, for the avoidance of doubt, the LIBOR Related Provisions, LIBOR Related Definitions (in each case, solely to the extent relating to such LIBOR Credit Extension), and any related rights or obligations) and (b) any retroactive margin or yield increases available to the Lenders as a result of any inaccuracy in any financial statement or compliance certificate that, if corrected, would have led to the application of a higher interest margin or yield with respect to any LIBOR Referencing Credit Extension or any higher fee for any applicable period, and in each case, the LIBOR Related Definitions and LIBOR Related Provisions (as in effect immediately prior to giving effect to the provisions of this Amendment on the Transition Date) shall continue in effect; provided that, with respect to any such LIBOR Credit Extension described in clause (a), such LIBOR Credit Extension shall only continue in effect in accordance with its terms until the end of the then-current Interest Period for such LIBOR Credit Extension. For the avoidance of doubt, unless the Borrower elects otherwise in accordance with the Amended Documents, at the end of the then-current Interest Period such outstanding LIBOR Credit

Extension shall be converted and/or continued in accordance with the Amended Documents, and if no such election is made Section 2.03(c) of this Exhibit shall apply.

Article V. New SOFR Referencing Credit Extensions.

Section 5.01 SOFR Conventions with Respect to Existing Definitions. Notwithstanding any provision of the Existing Agreement or any other Existing Document to the contrary, subject to Sections 2.02 or 2.03 of this Exhibit, the following provisions shall apply for the purposes of the Amended Agreement and each other applicable Amended Document, and the Existing Agreement and each other applicable Existing Document are hereby amended and modified from and after the Transition Date to incorporate such provisions therein:

(a) **Business Days**. To the extent that any term or provision of the Existing Agreement or any other Existing Document refers to the term "Business Day", "Banking Day", "business day" or other analogous or similar term or provision defining generally the days on which banks are deemed to be open for business, such term or provision shall instead be deemed to require that such day be a U.S. Government Securities Business Day when used in connection with a SOFR Credit Extension, or the component of any other rate (including an Alternate Rate Credit Extension), calculation, administration or determination involving SOFR or Adjusted Term SOFR.

(b) **Interest Payment Dates**. To the extent that any provision of the Existing Agreement or any other Existing Document refers to the term "Interest Payment Date" (in the context of the dates on which payments of interest, fees, commissions or other amounts on certain Credit Extensions are to be made) or any other analogous or similar term or provision defining generally the dates on which payments of interest, fees, commissions or other amounts on Credit Extensions are to be made, such term or provision shall be deemed to apply to SOFR Credit Extensions and payments of such interest, fees and commissions on SOFR Credit Extensions shall be paid on the same dates as required with respect to LIBOR Credit Extensions.

(c) **Types of Credit Extension**. To the extent that the Existing Agreement or any other Existing Document categorizes Credit Extensions by type of benchmark rate that applies to such Credit Extensions, SOFR Credit Extensions shall constitute a type of Credit Extension, and any such definition shall be deemed to include SOFR Credit Extensions.

Section 5.02 SOFR Referencing Credit Extensions. Notwithstanding any provision of the Existing Agreement or any other Existing Document to the contrary, to the extent that, (a) immediately prior to giving effect to the provisions of Sections 1.01 and 1.02 of this Exhibit, the Existing Agreement or any other Existing Document required or permitted the request, making and maintenance of any type of Credit Extension as a LIBOR Referencing Credit Extension, such type of Credit Extension shall only be available, and may be requested, made and maintained, as a SOFR Referencing Credit Extension from and after the Transition Date, subject to satisfaction of the applicable provisions set forth in Section 2.03 of this Exhibit and the other provisions of the Amended Agreement and any other applicable Amended Document, and (b) any term or provision of the Existing Agreement or any other Existing Document (other than a LIBOR Related Definition) that refers or is applicable to a LIBOR Referencing Credit Extension immediately prior to giving effect to the provisions of this Amendment on the Transition Date shall be deemed to refer to and be applicable to a SOFR Referencing Credit Extension from and after the Transition Date, unless, and to the extent that, such provision is superseded or otherwise modified by this Amendment.

Section 5.03 Provisions Relating to SOFR Referencing Credit Extensions. Notwithstanding any provision of the Existing Agreement or any other Existing Document to the contrary, in addition to any requirements with respect to Credit Extensions generally in the Amended Agreement or any other

applicable Amended Document, SOFR Referencing Credit Extensions shall be subject to the following provisions from and after the Transition Date:

(a) **Borrowing Notice**. Any provision under the Existing Agreement or any other Existing Document that required, immediately prior to giving effect to the provisions of Sections 1.01 and 1.02 of this Exhibit, the Borrower to provide notice to the Administrative Agent of a borrowing of any LIBOR Credit Extension shall be deemed, in each case, to refer to a SOFR Credit Extension in lieu of a LIBOR Credit Extension and all requirements applicable to any such borrowing of a LIBOR Credit Extension shall be deemed to refer and apply to a SOFR Credit Extension. For the avoidance of doubt, with respect to a SOFR Credit Extension, any notice of any borrowing must be received by the Administrative Agent in accordance with the time periods and subject to the requirements (modified solely to apply Adjusted Term SOFR as the benchmark rate) for notice of borrowings set forth in the Existing Documents and applicable to LIBOR Credit Extensions.

(b) **Conversions and Continuations of SOFR Credit Extensions**. Any provision under the Existing Agreement or any other Existing Document that required, immediately prior to giving effect to the provisions of Sections 1.01 and 1.02 of this Exhibit, the Borrower to provide notice to the Administrative Agent that the Borrower has elected to convert any Credit Extension that is not a LIBOR Credit Extension into a LIBOR Credit Extension, or continue a LIBOR Credit Extension at the termination of the Interest Period therefor, shall be deemed, in each case, to refer to a SOFR Credit Extension in lieu of a LIBOR Credit Extension and all requirements applicable to any such request or continuation of a LIBOR Credit Extension shall be deemed to refer and apply to a SOFR Credit Extension. For the avoidance of doubt, with respect to any SOFR Credit Extension, any notice of any such conversion or continuation must be received by the Administrative Agent in accordance with the time periods and subject to the requirements (modified solely to apply Adjusted Term SOFR as the benchmark rate) set forth in the Existing Documents and applicable to LIBOR Credit Extensions.

(c) **Failure to Elect**. After giving effect to Sections 2.03(a) and (b) of this Exhibit, if the Borrower (x) is required to elect a SOFR Interest Period pursuant to a notice of borrowing, continuation or conversion (y) is required to provide notice to the Administrative Agent that the Borrower has elected to convert any Credit Extension that is not a SOFR Credit Extension into a SOFR Credit Extension, or continue a SOFR Credit Extension at the termination of the SOFR Interest Period therefor or (z) the Borrower otherwise fails to deliver a timely and complete notice for conversion or continuation of a SOFR Credit Extension prior to the end of the SOFR Interest Period therefor, then, upon such event, the application of any automatic Interest Period elections, conversions, repayments or any other result that would have applied to LIBOR Credit Extensions shall be applied *mutatis mutandis* to SOFR Credit Extensions; provided however, if such LIBOR Credit Extension would have been automatically borrowed, continued or converted in an Interest Period that does not correspond to a SOFR Interest Period, then a one month SOFR Interest Period shall be applied.

(d) **Prepayments of SOFR Credit Extensions**. Any provision under the Existing Agreement or any other Existing Document that required, immediately prior to giving effect to the provisions of Sections 1.01 and 1.02 of this Exhibit, the Borrower to provide notice to the Administrative Agent of a prepayment of any LIBOR Credit Extension shall be deemed, in each case, to refer to a SOFR Credit Extension in lieu of such LIBOR Credit Extension. For the avoidance of doubt, with respect to any SOFR Credit Extension, any notice or terms applicable to such prepayment must be received by the Administrative Agent in accordance with the time periods and subject to the requirements (modified solely to apply Adjusted Term SOFR as the benchmark rate) set forth in the Existing Documents and applicable to LIBOR Credit Extensions.

(e) **Interest Rate for SOFR Credit Extensions**. Without limiting the applicability of any provision of the Amended Agreement or any other Amended Document with respect to default rates of interest or stepped-up or increased rates of interest, each SOFR Credit Extension shall bear interest at a rate per annum equal to the sum of (i) Adjusted Term SOFR for the SOFR Interest Period and (ii) the Applicable Margin.

(f) **SOFR Credit Extension Interest Computation**. All interest under the Amended Agreement and the Amended Documents on any SOFR Credit Extension shall be computed on a daily basis based, as applicable, upon the outstanding principal, face or other analogous amount of such SOFR Credit Extension as of the applicable date of determination and shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). SOFR, Adjusted Term SOFR or Term SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(g) **Increased Costs and Regulation D**. For the avoidance of doubt, any provision in the Existing Agreement or any other Existing Document that constitutes a requirement for the Borrower to compensate the Lenders for increased cost incurred as a result of a change of law, or any interpretation thereof (including, without limitation, as a result of capital requirements, regulations issued from the Federal Reserve Board from time to time, the Lenders being subject to taxes on its loans or other obligations or the imposition of costs or expenses affecting the loans), or any other analogous or similar yield maintenance provision shall be modified *mutatis mutandis* to apply to SOFR Credit Extensions.

(h) **Automatic Repayments and Conversions**. For the avoidance of doubt, any provision in the Existing Agreement or any other Existing Documents that requires the automatic repayment, prepayment or conversion to another benchmark rate (including a conversion to Alternate Rate Credit Extension) of any LIBOR Credit Extensions upon the happening of certain specified events (including, without limitation, upon an inability to determine rates, Credit Extensions not reflecting the cost to such Lender of funding, illegality, a default or an event of default) shall be modified *mutatis mutandis* to apply to SOFR Credit Extensions.

(i) **Compensation for Losses**. For the avoidance of doubt, any provision in the Existing Agreement or any other Existing Document that requires compensation for certain specified losses of the Lenders (including, without limitation, as a result of payment of principal other than on the last day of an Interest Period, conversion of Credit Extensions other than on the last day of an Interest Period, failure to borrow, convert, continue or prepay on a date specified in a notice delivered in accordance with the terms thereof or assignment of a Credit Extension other than on the last day of an Interest Period) shall be modified *mutatis mutandis* to apply to SOFR Credit Extensions.

(j) **Minimum Amounts and Limitation on Number of Borrowings**. For the avoidance of doubt, any provision in the Existing Agreement or any other Existing Document that applies a minimum aggregate amount or multiples thereof for borrowings or a minimum number of borrowings that may be outstanding at any time to LIBOR Credit Extensions shall be modified *mutatis mutandis* to apply to SOFR Credit Extensions.

Section 5.04 **Disclaimer and Exculpation With Respect to SOFR.** The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or

replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any alternative, successor or replacement rate (including any Benchmark Replacement) prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of SOFR, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain SOFR, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case pursuant to the terms of the Amended Agreement, and shall have no liability to the Borrower or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 5.05<u>SOFR Alternate Rate Credit Extensions</u>. If, immediately prior to giving effect to the provisions of this Amendment, any Credit Extension (including an Alternate Rate Credit Extension) uses as a benchmark rate a component of such benchmark rate based on LIBOR, then Adjusted Term SOFR shall apply in lieu of LIBOR for such component, applying the corresponding SOFR Interest Period to the Interest Period that would have applied to such LIBOR component (or if no SOFR Interest Period corresponds to such Interest Period for LIBOR, a one month SOFR Interest Period shall be applied); provided that if such Adjusted Term SOFR component is not available, Adjusted Term SOFR shall not be used when determining the rate for any such component. For the avoidance of doubt, (i) any additional margin, spread or other amount included in the LIBOR component of the interest rate applicable to any such component shall apply to the Adjusted Term SOFR component of the interest rate applicable to any such Credit Extension (including a SOFR Alternate Rate Credit Extension) (in addition to the spread adjustment included in Adjusted Term SOFR) and (ii) except to the extent set forth to the contrary herein, any provisions related to any such component (including an Alternate Rate Credit Extension) (including any margin applicable to the LIBOR component thereof) shall apply to SOFR Alternate Rate Credit Extensions.

<u>Article VI.</u><u>Definitions and Construction</u>

Section 6.01<u>Defined Terms</u>. The Existing Agreement and each other applicable Existing Document (if any) are hereby amended and modified to incorporate the definitions set forth in this Exhibit, *mutatis mutandis*, to the extent used in any such Existing Document, including as a result of the effectiveness of this Amendment. For the avoidance of doubt, to the extent that the defined terms in this Exhibit conflict with the defined terms used in any Existing Document, the terms of this Exhibit shall control. The following terms shall have the following meanings for purposes of this Amendment, including without limitation the provisions contained in this Exhibit:

"**<u>Adjusted Term SOFR</u>**" means, with respect to any SOFR Referencing Credit Extension for a SOFR Interest Period, an interest rate per annum equal to the sum of (i) Term SOFR and (ii) the applicable Spread Adjustment; <u>provided</u>, that if Adjusted Term SOFR shall be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"**<u>Alternate Rate Credit Extension</u>**" means a Credit Extension nominally based on a "Base Rate", "Alternative Base Rate", "ABR", "Federal Funds", "Prime" or "Citi Prime", "Minimum Interest Rate" or other analogous or similar term generally indicating use of a benchmark rate other than LIBOR, SOFR,

Term SOFR or Adjusted Term SOFR and which may apply a rate (or a component of a rate) based on LIBOR, SOFR, Term SOFR or Adjusted Term SOFR, as the context requires. For the avoidance of doubt, such Credit Extension, immediately prior to giving effect to the provisions of this Amendment on the Transition Date, was not a LIBOR Credit Extension and after giving effect to the provisions of this Amendment on the Transition Date, will not be a SOFR Credit Extension.

"**Applicable Margin**" means the applicable margin, rate, spread or other analogous or similar term or concept utilized in the Existing Agreement or any other Existing Document immediately prior to giving effect to the provisions of this Amendment on the Transition Date for calculating, in addition to LIBOR, any rate of interest or other similar amounts with respect to the applicable LIBOR Credit Extensions.

"**Conforming Changes**" means, with respect to either the use or administration of Adjusted Term SOFR, Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of the alternate rate that applies for an Alternate Rate Credit Extension, the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of any compensation for losses provision and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of the Amended Agreement and the other Amended Documents).

"**Credit Extension**" means any extension of credit of any type under the Existing Agreement, the Amended Agreement, any other Existing Document or any other Amended Document, whether characterized as a loan, term loan, revolving loan, swingline loan, daylight overdraft loan, bid loan, advance, borrowing, credit extension, letter of credit or other financial accommodation, and whether constituting a new extension of credit or a conversion or continuation of an existing extension of credit.

"**Existing Documents**" means the Existing Agreement, each "Loan Document", "Financing Agreement" or "Related Document" (or other analogous or similar defined term) and all other notes, agreements, documents, and instruments executed and delivered in connection with the Existing Agreement and the Credit Extensions thereunder, each as amended, restated, amended or restated, supplemented, renewed or otherwise modified immediately prior to giving effect to this Amendment, including without limitation any note, guarantee, security document, mortgage, deed of trust or certificate; provided, that no derivative, swap agreement, hedge agreement or ISDA confirm (or other analogous or similar term) shall constitute an Existing Document for purposes of this Amendment or the provisions contained in this Amendment.

"**Floor**" means the benchmark rate floor, if any, provided in the Existing Agreement initially (as of the execution of the Existing Agreement, the modification, amendment or renewal of the Existing Agreement or otherwise) with respect to LIBOR and utilized for calculating any rate of interest, fees, commissions or other amounts with respect to LIBOR Credit Extensions.

"**Interest Period**" means "Interest Period", "LIBOR Period" or any other analogous or similar term set forth in the Existing Agreement or any other applicable Existing Document describing the period during

which a Credit Extension bears interest with reference to a specific setting, tenor, calculation or determination of a benchmark rate.

"**LIBOR Credit Extension**" means a Credit Extension bearing interest or incurring fees, commissions or other amounts based on LIBOR.

"**LIBOR Referencing Credit Extension**" means any Alternate Rate Credit Extension (to the extent it applies a rate (or a component of a rate) based on LIBOR in accordance with the Existing Documents) or LIBOR Credit Extension, as the context may require.

"**LIBOR Related Definition**" means any term defined in the Existing Agreement or any other Existing Document (or any partial definition thereof) as in effect immediately prior to giving effect to the provisions of this Amendment on the Transition Date, however phrased, primarily relating to the determination, administration or calculation of LIBOR, including by way of example applicable terms phrased as "Adjusted LIBO Rate", "Adjusted LIBOR Rate", "LIBO Base Rate", "LIBO Rate", "LIBOR Rate", "LIBOR", "Eurodollar Rate", "Eurodollar Base Rate", "Eurocurrency Rate", "One-Month LIBOR", "Daily LIBOR", "Interpolated Rate", "Screen Rate", "Eurodollar Reserve Percentage", "LIBOR Determination Date", and "LIBOR Reset Date".

"**LIBOR Related Provision**" means any term defined in or provision of the Existing Agreement or any other Existing Document as in effect immediately prior to giving effect to the provisions of this Amendment on the Transition Date (other than a LIBOR Related Definition) that refers to or has effect with respect to LIBOR, a LIBOR Related Definition, a LIBOR Referencing Credit Extension or another LIBOR Related Provision (in each case, solely as and to the extent that such term or provision relates to LIBOR, a LIBOR Related Definition, a LIBOR Referencing Credit Extension or another LIBOR Related Provision), including by way of example (a) terms phrased as "Applicable Margin", "Borrowing", "Business Day", "Default Rate", "Interest Payment Date", "Interest Period", "LIBOR Period", "LIBOR Loan", "Eurodollar Loan", "Eurocurrency Loan", "LIBO Rate Loan", "Interest Option", "Reference Banks", "Reference Rate", "Index", "Increment", "Calculation Period", "Calculation Time", "Applicable Rate", "LIBOR Margin", "Pricing Grid", "London Banking Day", "business day", "Banking Date", and "Type", and (b) provisions addressing (i) interest rate setting, borrowing, conversion, continuation, payment and prepayment mechanics relating to LIBOR Referencing Credit Extensions, (ii) the inability to determine or make credit extensions based on LIBOR, (iii) reimbursement for costs, expenses, breakage, break-funding, compensation for losses or indemnity relating to LIBOR Credit Extension, (iv) availability of LIBOR and (v) exculpation with respect to LIBOR.

"**Material Adverse Effect**" means (a) "Material Adverse Effect" or any other analogous or similar term, in each case, to the extent so defined in the Existing Agreement or any other Existing Document or otherwise, if not so defined, (b) (i) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower and its subsidiaries taken as a whole; or (ii) a material adverse effect on (A) the ability of the Borrower to perform its obligations under the Amended Documents, (B) the legality, validity, binding effect or enforceability against the Borrower of any Amended Document to which it is a party or (C) the rights, remedies and benefits available to, or conferred upon, the Administrative Agent, the Issuing Banks or the Lenders under any Amended Documents.

"**Periodic Term SOFR Determination Day**" has the meaning specified in the definition of "Term SOFR".

"**Relevant Governmental Body**" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of

Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"**SOFR**" means a rate equal to the Secured Overnight Financing Rate as administered by the SOFR Administrator.

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate).

"**SOFR Alternate Rate Credit Extension**" means an Alternate Rate Credit Extension which, after the Transition Date, uses Adjusted Term SOFR as a component of the benchmark rate applicable to such Credit Extensions.

"**SOFR Credit Extension**" means any Credit Extension bearing interest or incurring fees, commissions or other amounts based upon Adjusted Term SOFR, but excluding, for the avoidance of doubt, any Alternate Rate Credit Extension.

"**SOFR Interest Period**" means, as to any SOFR Credit Extension, the time periods corresponding to the choices for such time periods for Interest Periods under the Existing Documents for LIBOR, but only to the extent such Interest Period is available and recommended by the Relevant Governmental Body with respect to Term SOFR. For avoidance of doubt, and notwithstanding anything contained herein to the contrary, Term SOFR for one (1), three (3), six (6) and twelve (12) month Interest Periods shall be the corresponding tenors available and recommended under the Amended Documents as of the Effective Date and, if and to the extent additional tenors of Term SOFR become available and are recommended by the Relevant Governmental Body after the date hereof and such tenors correspond to the Interest Periods available under the Existing Documents, such Interest Periods shall be deemed to be added as SOFR Interest Periods hereunder. Any additional technical, administrative or operational conventions or limitations included in the definition of Interest Period and applicable to Interest Periods for LIBOR Credit Extensions shall be applicable to SOFR Credit Extensions and are hereby incorporated into this definition of SOFR Interest Period.

"**SOFR Referencing Credit Extension**" means any Alternate Rate Credit Extension (to the extent it applies a rate (or a component of a rate) based on SOFR, Term SOFR or Adjusted Term SOFR in accordance herewith) or SOFR Credit Extension, as the context may require.

"**Spread Adjustment**" means, for any SOFR Credit Extension's SOFR Interest Period, the applicable rate per annum set out below:

Length of SOFR Interest Period or other period	**Spread Adjustment**
1 month	0.11448%
3 months	0.26161%
6 months	0.42826%
12 months	0.71513%

"**Term SOFR**" means, for any calculation with respect to a SOFR Credit Extension, the Term SOFR Reference Rate for a tenor comparable to the applicable SOFR Interest Period on the day (such day, the "**Periodic Term SOFR Determination Day**") that is two (2) U.S. Government Securities Business Days prior to the first day of such SOFR Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published

by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day.

"**Term SOFR Administrator**" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"**Term SOFR Reference Rate**" means the forward-looking term rate based on SOFR.

"**Transition Date**" means June 30, 2023.

"**U.S. Government Securities Business Day**" means any day (other than a Saturday or Sunday) on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Section 6.02 Rules of Construction. For the avoidance of doubt, (a) if and to the extent that the Existing Agreement or any other Existing Document does not, immediately prior to the effectiveness of this Amendment, include any provision or term that would be modified pursuant to any provision of Article I or Article II of this Exhibit, such provision of Article I or Article II of this Exhibit shall be disregarded to such extent and, for the avoidance of doubt, such Existing Agreement or other Existing Document shall not be deemed amended or otherwise modified pursuant to any such provision of Article I or Article II of this Exhibit and (b) the amendments contained in this Exhibit shall apply to LIBOR Referencing Credit Extensions and no other Credit Extensions available under the Existing Document. Any reference in this Amendment to the "Borrower" shall be deemed to refer to "the Borrowers", "the applicable Borrower", "each Borrower", "such Borrower" or "any Borrower", as applicable, if the "Borrower" identified above constitutes more than one person.

Section 6.03 Additional Conforming Changes. Notwithstanding anything contained herein to the contrary or in the Amended Documents, in connection with the use or administration of Term SOFR or Adjusted Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Existing Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to any Existing Document or Amended Documents. The Administrative Agent will notify the Borrower and the Lenders of the effectiveness of any Conforming Changes.

THIRD AMENDMENT TO OFFICE LEASE AGREEMENT

THIS THIRD AMENDMENT TO OFFICE LEASE AGREEMENT (the “**Third Amendment**”) is entered into as of this 1st day of May, 2023 (the “**Effective Date**”) by and between **NS 141 Tremont LLC,** a Massachusetts limited liability company having an address of c/o Synergy Investments LLC, 10 Post Office Square, 14th Floor, Boston, Massachusetts 02109 (the “**Landlord**”) and **Flywire Corporation**, a Delaware corporation with an address of 141 Tremont Street, Floor 10, Boston, Massachusetts 02111 (the “**Tenant**”).

W I T N E S S E T H

WHEREAS, Landlord and Tenant entered into that certain Office Lease Agreement dated April 8, 2015 (the “**Original Lease**”), as amended by that certain First Amendment to Lease dated April 7, 2016 (the “**First Amendment**”), as further amended by that certain Second Amendment to Lease dated October 23, 2018 (the “**Second Amendment**”), leasing to Tenant approximately 16,419 rentable square feet of space consisting of the ninth (9th), tenth (10th), and eleventh (11th) floors of the Building (the “**Premises**”) as more particularly described therein and located at 141 Tremont Street, Boston, Massachusetts (the “**Building**”);

WHEREAS, the Original lease, as amended by the First Amendment and Second Amendment and this Third Amendment, shall be known as the “**Lease**”;

WHEREAS, Landlord and Tenant desire to terminate a portion of the Premises consisting of 5,473 rentable square feet of space on the ninth (9th) floor of the Building (the “**9th Floor Premises**”) and to make other modifications to the Lease, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the Premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. **Defined Terms**. All capitalized terms not otherwise ascribed a definition in this Third Amendment shall have the meaning ascribed to such term as set forth in the Lease.

2. **9th Floor Premises**. Effective on September 30, 2023 (the “**9th Floor Termination Date**”), Landlord and Tenant hereby agree that Tenant shall surrender and vacate the 9th Floor Premises on the Termination Date in accordance with the terms and provisions of the Lease and this Third Amendment, including without limitation, delivery of the Premises in broom clean condition with removal of personal property and signage in accordance with the Lease. Tenant shall be relieved of its obligation to pay Rent on the 9th Floor Premises only from October 1, 2023 – March 31, 2024. Landlord and Tenant hereby agree that Landlord shall complete the removal of the staircase connecting the 9th and 10th floors promptly following the 9th Floor Termination Date, at Landlord’s sole cost and expense, and the entirety of the removal project shall not exceed sixty (60) days. Landlord shall be responsible for any repair work that is required due to stairwell removal including cosmetic work. The Lease shall remain unmodified in full force and effect with respect to the 10th Floor Premises and the 11th Floor Premises,

including, without limitation, Tenant's obligation to pay Rent. For the avoidance of doubt, commencing October 1, 2023 – March 31, 2024, Tenant shall pay Monthly Base Rent in the amount of $55,642.17 and Tenant's Share of Taxes and Tenant's Share of Operating Expenses shall include the 10th Floor Premises (in accordance with Section 11 and Section 12 of the Second Amendment) and 11th Floor Premises (in accordance with Section 7 and Section 8 of the Second Amendment) only.

3.**Premises**. Effective as of April 1, 2024 (the "**Commencement Date**"), the definition of "**Premises**" in Section 1 of the Lease is hereby deleted in its entirety and replaced by the following:

"Premises: Approximately 10,946 rentable square feet consisting of the 10th and 11th floors of the Building substantially as shown on the plans described in Exhibit B (Plan of Premises) attached hereto and incorporated herein by this reference."

4.**Term**. Effective as of the Commencement Date, the definition of "**Term**" in Section 1 of the Lease is hereby deleted in its entirety and replaced by:

"Term: Three (3) years and three (3) months beginning on the Commencement Date and ending on the last day of the thirty- ninth (39th) full calendar month thereafter (the "**Expiration Date**"), unless terminated or extended as provided herein."

5.**Rent Abatement; Rent Abatement Period**. Notwithstanding the foregoing Base Rent Schedule or any contrary provision of this Third Amendment, but subject to the terms and conditions of this Third Amendment, Tenant shall not be obligated to pay any Base Rent for the Premises for the first three (3) months (the "**Rent Abatement**") following the Commencement Date (the "**Rent Abatement Period**"). Tenant acknowledges and agrees that the foregoing Rent Abatement has been granted to Tenant as additional consideration for entering into this Third Amendment, and for agreeing to pay the rental and perform the terms and conditions otherwise required under this Third Amendment. If, prior to the expiration of the Rent Abatement Period, there shall be an Event of Default under the Lease, beyond any applicable notice or cure period, then (1) Tenant shall immediately be obligated to begin paying Base Rent for the Premises in full and (2) Landlord shall have all rights and remedies set forth in the Lease in addition to any and all other rights and remedies available to Landlord at law or in equity.

6.**Base Rent**. Effective as of the Commencement Date, the definition of "**Base Rent**" in Section 1 of the Lease is hereby deleted in its entirety and replaced by the following:

"Base Rent:

Period	Annual Base Rent	Monthly Base Rent
Commencement Date through – Month 15 (1st Lease Year)	*$612,976.00	*$51,081.33
Month 16 – 27 (2nd Lease Year)	$625,235.52	$52,102.96

Month 28 – 39 (3rd Lease Year)	$637,740.23	$53,145.02

* Notwithstanding the forgoing Base Rent schedule or any contrary provision of this Lease, but subject to the terms herein, Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Premises during the first three (3) months of the Term."

7.**Tenant's Share of Taxes**. Effective as of the Commencement Date, the definition of "**Tenant's Share of Taxes**" in Section 1 of the Lease is hereby deleted in its entirety and replaced by:

"Tenant's Share of Taxes 15.75% above Base Tax Year"

8.**Tenant's Share of Operating Expenses**. Effective as of the Commencement Date, the definition of "**Tenant's Share of Operating Expenses**" in Section 1 of the Lease is hereby deleted in its entirety and replaced by:

"Tenant's Share of Operating Expenses 15.75% above Base Expense Year"

9.**Real Estate Taxes**. Effective as of the Commencement Date, the definition of "**Base Tax Year**" in Section 1 of the Lease is hereby deleted in its entirety and replaced by the following:

"Base Tax Year: Fiscal year 2025 (i.e. July 1, 2024 through June 30, 2025)"

10.**Operating Expenses**. Effective as of the Commencement Date, the definition of "**Base Expense Year**" in Section 1 of the Lease is hereby deleted in its entirety and replaced by the following:

"Base Expense Year: Calendar year 2024 (i.e. January 1, 2024 through December 31, 2024)"

11. **Security Deposit.** Effective as of the Commencement Date:

A. The definition of "**Security Deposit**" in Section 1 of the Lease is hereby deleted in its entirety and replaced by the following:

"Security Deposit: $75,000.00"

B. Section 13.2 of the First Amendment to Lease is hereby deleted.

12.**Extension Option.** Effective as of the Commencement Date, Section 50.1 "**Extension Option**" of the Lease is hereby deleted in its entirety and replaced by the following:

"50.1 Extension Option. Provided that Tenant shall not be in an Event of Default either at the time of the Extension Notice (as hereinafter defined) or at the commencement of the Extension Term (as hereinafter defined), beyond any applicable notice and grace period, Tenant shall have one (1) option (the "Extension Option") to extend the Term of this Lease for an additional three (3) years (the "Extension Term"). Tenant must exercise the Extension Option by providing written notice of election to Landlord (the "Extension Notice") no more than fifteen

(15) months and no less than twelve (12) months prior to the scheduled expiration of the Term of this Lease. The Annual Base Rent in and for the Extension Term shall be one hundred percent (100%) of the Fair Market Base Rent (as hereinafter defined). All other terms of this Lease shall apply during the Extension Term. If Tenant shall fail to send the Extension Notice within the time period herein provided, the Extension Option shall cease to exist and terminate, and Tenant shall have no further opportunity to exercise the Extension Option."

13. **Right of First Offer**. Section 51 of the Lease is hereby deleted.

14. **Exhibits.** Existing Exhibit C, Exhibit D and Exhibit E and Exhibit F to the Lease are hereby deleted.

15. **Floor Plan Exhibit**. The floor plan of the Premises, attached hereto as Exhibit B (need attached), is hereby inserted immediately following the existing Exhibit B to the Lease and incorporated therein.

16. **Condition of the Premises**. Tenant acknowledges and agrees that it is currently in possession of the Premises and the Premises is leased in its current "as-is" condition, without any obligation on the part of Landlord to prepare the Premises for Tenant's continued occupancy thereof and without any representations or warranties by Landlord as to the condition of the Premises or the suitability thereof for Tenant's use.

17. **Brokers**. Landlord and Tenant represent and warrant to each other that neither has dealt with any brokers in connection with this Third Amendment other than CBRE, and each agrees to defend, with counsel approved by the other, indemnify and save the other harmless from and against any and all cost, expense or liability for any compensation, commissions or charges claimed by any other broker or agent in connection with this Third Amendment. Landlord will pay any commission due to the broker hereunder pursuant to its separate agreement with the broker hereunder subject to execution and delivery of this Third Amendment by Landlord and Tenant. The provisions of this Section 17 shall survive the expiration or earlier termination of the Lease.

18. **Authority**. Tenant hereby covenants and warrants that (a) Tenant is in good standing under the laws of the State of Delaware, (b) Tenant has full power and authority to enter into this Third Amendment and to perform all Tenant's obligations under the Lease, as amended by this Third Amendment and (c) each person (and all of the persons if more than one signs) signing this Third Amendment on behalf of Tenant is duly and validly authorized to do so. Landlord hereby covenants and warrants that (x) Landlord is in good standing under the laws of the Commonwealth of Massachusetts, (y) Landlord has full power and authority to enter into this

Third Amendment and to perform Landlord's obligations under the Lease, as amended by this Third Amendment and (z) each person (and all of the persons if more than one signs) signing this Third Amendment on behalf of the Landlord is duly and validly authorized to do so.

19. **No Offer**. THE SUBMISSION OF THIS THIRD AMENDMENT FOR EXAMINATION AND NEGOTIATION DOES NOT CONSTITUTE AN OFFER TO LEASE, A RESERVATION OF, OR OPTION FOR THE PREMISES AND SHALL VEST NO RIGHT IN ANY PARTY. TENANT OR ANYONE CLAIMING UNDER OR THROUGH TENANT SHALL HAVE THE RIGHTS TO THE PREMISES AS SET FORTH HEREIN AND THIS THIRD AMENDMENT BECOMES EFFECTIVE ONLY UPON EXECUTION,

ACKNOWLEDGMENT AND DELIVERY THEREOF BY LANDLORD AND TENANT, REGARDLESS OF ANY WRITTEN OR VERBAL REPRESENTATION OF ANY AGENT, MANAGER OR EMPLOYEE OF LANDLORD TO THE CONTRARY.

20.**Entire Agreement**. This Third Amendment, together with the Lease, constitutes the entire agreement between the Landlord and Tenant regarding the Lease and the subject matter contained herein and supersedes any and all prior and/or contemporaneous oral or written negotiations, agreement or understandings.

21.**Incorporation**. The Lease, as modified herein, remains in full force and effect, and the parties hereby ratify the same. This Third Amendment shall be binding upon the parties and their respective successors and assigns, except as set forth in the Lease. To the extent the terms and conditions of the Lease conflict with or are inconsistent with this Third Amendment, the terms and conditions of this Third Amendment shall control.

22.**Counterparts**. This Third Amendment may be executed in counterparts, each of which shall be deemed a part of an original and all of which together shall constitute one (1) agreement. Signature pages may be detached from the counterparts and attached to a single copy of this Third Amendment to form one (1) document.

[This space intentionally left blank; signatures to follow]

Executed as an instrument under seal on the date and year first written above.

TENANT:

FLYWIRE CORPORATION,
a Delaware corporation

By: /s/ Peter Butterfield
Name: Peter Butterfield
Title: General Counsel & Chief Compliance Officer
Duly Authorized

LANDLORD:

NS 141 TREMONT LLC,
a Massachusetts limited liability company

By: /s/ David Greaney
Name: David Greaney
Title: Authorized Signatory

EXHIBIT B

FLOOR PLAN

See attached.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Massaro, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2023 of Flywire Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023

By: /s/ Michael Massaro

Michael Massaro
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Ellis, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2023 of Flywire Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023

By: /s/ Michael Ellis

Michael Ellis
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER 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 Flywire Corporation (the “Company”) on Form 10-Q for the quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I 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 result of operations of the Company.

Date: August 8, 2023

By: /s/ Michael Massaro

Michael Massaro
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER 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 Flywire Corporation (the “Company”) on Form 10-Q for the quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I 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 result of operations of the Company.

Date: August 8, 2023

By: /s/ Michael Ellis

Michael Ellis
Chief Financial Officer
(Principal Financial and Accounting Officer)