

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, 2025

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: 001-40575

EverCommerce Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

**3601 Walnut Street, Suite 400
Denver, Colorado**

(Address of principal executive offices)

81-4063248

(I.R.S. Employer
Identification No.)

80205

(Zip Code)

(720) 647-4948

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.00001 par value	EVCN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

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

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

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

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

As of August 1, 2025, there were 181,278,754 shares of the registrant's common stock, par value \$0.00001, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “forecasts,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to statements regarding our future results of operations and financial position, industry and business trends, macroeconomic and market conditions, equity compensation, business strategy, plans, market growth, future acquisitions and other capital expenditures, expectations regarding the strategic review of our Marketing Technology Solutions including any potential sale, progress towards remediation of our material weakness, expected impacts from legislation and our objectives for future operations.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, our limited operating history and evolving business; our recent growth rates may not be sustainable or indicative of future growth; we have experienced net losses in the past and we may not achieve profitability in the future; we may continue to experience significant quarterly and annual fluctuations in our operating results due to a number of factors, which makes our future operating results difficult to predict; in order to support the growth of our business and acquisition strategy, we may need to incur additional indebtedness or seek capital through new equity or debt financings; we may not be able to continue to expand our share of our existing vertical markets or expand into new vertical markets; we face intense competition in each of the industries in which we operate; the industries in which we operate are rapidly evolving and the market for technology-enabled services that empower small and medium-sized businesses is relatively immature and unproven; we are subject to economic and political risk, the business cycles of our clients and changes in the overall level of consumer and commercial spending, which could negatively impact our business, financial condition and results of operations; we are dependent on payment card networks, such as Visa and MasterCard, and payment processors, such as Worldpay and PayPal, and if we fail to comply with the applicable requirements of the payment networks or our payment processors, they can seek to fine us, suspend us, terminate our agreements and/or terminate our registrations through our bank sponsors; the inability to keep pace with rapid developments and changes in the electronic payments market or are unable to introduce, develop and market new and enhanced versions of our software solutions we may be put at a competitive disadvantage with respect to our services that incorporated payment technology; real or perceived errors, failures or bugs in our solutions could adversely affect our business results of operations, financial conditions and growth prospects; unauthorized disclosure, destruction or modification of data, disruption of our software or services or cyber breaches could expose us to liability, protracted and costly litigation and damage our reputation; our use of artificial intelligence technologies and evolving regulatory framework governing the use of such technologies; our estimated total addressable market is subject to inherent challenges and uncertainties; failure to effectively develop and expand our sales and marketing capabilities; our ability to increase our customer base and achieve broader market acceptance and utilization of our solutions; impairment in the value of our goodwill or intangible assets; our information technology systems and our third-party providers’ information technology systems, including Worldpay, PayPal and other payment processing partners, may fail, or our third-party providers may discontinue providing their services or technology generally or to us specifically; our ability to improve our margin, in particular within Marketing Technology Solutions; the impact of a future pandemic, epidemic, or outbreak of infectious disease could impact our business, financial condition and results of operations, as well as the business or operations of their parties with whom we conduct business; our success in achieving our objectives through acquisitions, divestitures or other strategic transactions; our revenues and profits generated through acquisitions may be less than anticipated, and we may fail to uncover all liabilities of acquisition targets; risks related to scrutiny on environmental sustainability and social initiatives; our ability to adequately protect or enforce our intellectual property and other proprietary rights; risk of patent, trademark and other intellectual property infringement claims; risks related to governmental regulation and other legal obligations, particularly related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations; risks related to our sponsor stockholders agreement and qualifying as a “controlled company” under the rules of The Nasdaq Stock Market; significant increased costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives; as well as the other factors described in our Annual Report on Form 10-K for the year ended December 31, 2024 (“Annual Report on Form 10-K”), as updated by our other filings with the Securities and Exchange Commission (the “SEC”). The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, 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 investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

EverCommerce Inc.
Condensed Consolidated Balance Sheets
(in thousands, except per share and share amounts)
(unaudited)

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 151,060	\$ 135,782
Accounts receivable, net of allowance for expected credit losses of \$2.7 million and \$2.3 million at June 30, 2025 and December 31, 2024, respectively	35,102	31,090
Contract assets	15,595	12,839
Assets held for sale	48,336	11,422
Prepaid expenses and other current assets	29,180	27,181
Total current assets	279,273	218,314
Property and equipment, net	5,790	6,129
Capitalized software, net	48,180	41,595
Other non-current assets	34,513	36,127
Non-current assets held for sale	—	44,779
Intangible assets, net	184,044	211,172
Goodwill	867,205	863,152
Total assets	1,419,005	1,421,268
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 4,948	\$ 6,599
Accrued expenses and other	58,551	50,840
Deferred revenue	23,155	22,107
Customer deposits	13,049	11,382
Current maturities of long-term debt	5,500	5,500
Liabilities held for sale	12,718	14,298
Total current liabilities	117,921	110,726
Long-term debt, net of current maturities and deferred financing costs	520,294	522,442
Other non-current liabilities	36,812	36,301
Non-current liabilities held for sale	—	973
Total liabilities	675,027	670,442
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Preferred stock, \$0.00001 par value, 50,000,000 shares authorized and no shares issued or outstanding as of June 30, 2025 and December 31, 2024	—	—
Common stock, \$0.00001 par value, 2,000,000,000 shares authorized and 182,188,973 and 183,725,236 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	2	2
Accumulated other comprehensive loss	(9,832)	(14,318)
Additional paid-in capital	1,414,432	1,426,206
Accumulated deficit	(660,624)	(661,064)
Total stockholders' equity	743,978	750,826
Total liabilities and stockholders' equity	\$ 1,419,005	\$ 1,421,268

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

EverCommerce Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except per share and share amounts)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenues:				
Subscription and transaction fees	\$ 142,841	\$ 135,684	\$ 280,620	\$ 269,066
Other	5,174	4,839	9,668	9,309
Total revenues	148,015	140,523	290,288	278,375
Operating expenses:				
Cost of revenues (exclusive of depreciation and amortization presented separately below)	33,395	31,561	64,583	63,062
Sales and marketing	30,611	28,959	59,394	56,523
Product development	19,497	19,228	39,460	38,534
General and administrative	32,121	32,712	63,402	64,353
Depreciation and amortization	16,589	19,901	33,357	40,805
Loss on held for sale and impairments	—	459	85	11,691
Total operating expenses	132,213	132,820	260,281	274,968
Operating income	15,802	7,703	30,007	3,407
Interest and other expense, net	(8,798)	(9,552)	(21,557)	(15,343)
Net income (loss) from continuing operations before income tax expense	7,004	(1,849)	8,450	(11,936)
Income tax expense	(1,243)	(703)	(1,755)	(6,626)
Net income (loss) from continuing operations	5,761	(2,552)	6,695	(18,562)
Income (loss) from discontinued operations, net of income tax	2,392	(824)	(6,255)	(1,138)
Net income (loss)	8,153	(3,376)	440	(19,700)
Other comprehensive income (loss):				
Foreign currency translation gain (loss), net	4,009	942	4,486	(2,593)
Comprehensive income (loss)	\$ 12,162	\$ (2,434)	\$ 4,926	\$ (22,293)
Basic net income (loss) per share attributable to common stockholders:				
Continuing operations	\$ 0.03	\$ (0.02)	\$ 0.04	\$ (0.10)
Discontinued operations	0.01	—	(0.04)	(0.01)
Total	\$ 0.04	\$ (0.02)	\$ —	\$ (0.11)
Diluted net income (loss) per share attributable to common stockholders:				
Continuing operations	\$ 0.03	\$ (0.02)	\$ 0.04	\$ (0.10)
Discontinued operations	0.01	—	(0.04)	(0.01)
Total	\$ 0.04	\$ (0.02)	\$ —	\$ (0.11)
Weighted-average shares of common stock outstanding used in computing net income (loss) per share:				
Basic	182,600,189	185,182,906	183,031,556	185,907,621
Diluted	184,240,814	185,182,906	184,838,467	185,907,621

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

EverCommerce Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2024	183,725	\$ 2	\$ 1,426,206	\$ (661,064)	\$ (14,318)	\$ 750,826
Common stock issued upon vesting of restricted stock units, net of shares withheld for employee taxes	240	—	(1,182)	—	—	(1,182)
Stock-based compensation	—	—	6,940	—	—	6,940
Stock option exercises	167	—	1,385	—	—	1,385
Repurchase and retirement of common stock, including taxes	(1,098)	—	(11,164)	—	—	(11,164)
Foreign currency translation gain, net	—	—	—	—	477	477
Net loss	—	—	—	(7,713)	—	(7,713)
Balance at March 31, 2025	183,034	\$ 2	\$ 1,422,185	\$ (668,777)	\$ (13,841)	\$ 739,569
Issuance of common stock for Employee Stock Purchase Plan	183	—	1,562	—	—	1,562
Common stock issued upon vesting of restricted stock units, net of shares withheld for employee taxes	385	—	(1,815)	—	—	(1,815)
Stock-based compensation	—	—	8,270	—	—	8,270
Stock option exercises, net	631	—	4,827	—	—	4,827
Repurchase and retirement of common stock, including taxes	(2,044)	—	(20,597)	—	—	(20,597)
Foreign currency translation gain, net	—	—	—	—	4,009	4,009
Net income	—	—	—	8,153	—	8,153
Balance at June 30, 2025	182,189	\$ 2	\$ 1,414,432	\$ (660,624)	\$ (9,832)	\$ 743,978

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

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2023	186,934	\$ 2	\$ 1,454,026	\$ (619,975)	\$ (8,017)	\$ 826,036
Common stock issued upon vesting of restricted stock units	301	—	—	—	—	—
Stock-based compensation	—	—	5,576	—	—	5,576
Stock option exercises	160	—	1,072	—	—	1,072
Repurchase and retirement of common stock, including taxes	(1,234)	—	(12,139)	—	—	(12,139)
Foreign currency translation loss, net	—	—	—	—	(3,535)	(3,535)
Net loss	—	—	—	(16,324)	—	(16,324)
Balance at March 31, 2024	186,161	\$ 2	\$ 1,448,535	\$ (636,299)	\$ (11,552)	\$ 800,686
Issuance of common stock for Employee Stock Purchase Plan	215	—	1,755	—	—	1,755
Common stock issued upon vesting of restricted stock units	470	—	—	—	—	—
Stock-based compensation	—	—	6,454	—	—	6,454
Stock option exercises	233	—	1,767	—	—	1,767
Repurchase and retirement of common stock, including taxes	(2,498)	—	(24,136)	—	—	(24,136)
Foreign currency translation gain, net	—	—	—	—	942	942
Net loss	—	—	—	(3,376)	—	(3,376)
Balance at June 30, 2024	184,581	\$ 2	\$ 1,434,375	\$ (639,675)	\$ (10,610)	\$ 784,092

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

EverCommerce Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six months ended June 30,	
	2025	2024
Cash flows provided by operating activities:		
Net income (loss)	\$ 440	\$ (19,700)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	34,549	44,889
Stock-based compensation expense	15,210	12,030
Deferred taxes	136	5,609
Amortization of deferred financing costs and non-cash interest	806	818
Loss on held for sale and impairments	9,106	11,690
Bad debt expense	2,365	2,283
Loss (gain) on interest rate swap valuation adjustments	6,007	(5,848)
Other non-cash items	(58)	694
Changes in operating assets and liabilities:		
Accounts receivable, net	(8,065)	(10,040)
Prepaid expenses and other current assets	(4,634)	(2,731)
Other non-current assets	(552)	(46)
Accounts payable	(2,702)	2,721
Accrued expenses and other	6,896	(7,360)
Deferred revenue	2,007	3,372
Other non-current liabilities	(3,852)	(1,165)
Net cash provided by operating activities	57,659	37,216
Cash flows used in investing activities:		
Purchases of property and equipment	(992)	(1,036)
Capitalization of software costs	(12,668)	(8,718)
Proceeds from disposition of fitness solutions, net of transaction costs, cash and restricted cash	(85)	1,228
Net cash used in investing activities	(13,745)	(8,526)
Cash flows used in financing activities:		
Payments on long-term debt	(2,750)	(2,750)
Exercise of stock options, net	6,212	2,839
Proceeds from common stock issuance for Employee Stock Purchase Plan	1,562	1,755
Employee taxes paid for RSU withholdings	(2,997)	—
Repurchase and retirement of common stock	(31,603)	(36,034)
Net cash used in financing activities	(29,576)	(34,190)
Effect of foreign currency exchange rate changes on cash	940	(638)
Net increase (decrease) in cash, cash equivalents and restricted cash, including cash and restricted cash classified as held for sale	15,278	(6,138)
Cash, cash equivalents and restricted cash, including cash and restricted cash classified as held for sale:		
Beginning of period	135,782	96,179
End of period	<u>\$ 151,060</u>	<u>\$ 90,041</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 18,244</u>	<u>\$ 23,048</u>
Cash paid for income taxes	<u>\$ 2,561</u>	<u>\$ 3,199</u>

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

Notes to Unaudited Condensed Consolidated Financial Statements

Note 1. Nature of the Business

EverCommerce Inc. and subsidiaries (the “Company” or “EverCommerce”) is a leading provider of integrated software-as-a-service (“SaaS”) solutions or services for service-based small and medium-sized businesses (“service SMBs”). Our platforms span across the full lifecycle of interactions between consumers and service professionals with vertical-specific applications. As of December 31, 2024, the Company served more than 740,000 customers primarily across three core verticals: EverPro for Home Services; EverHealth for Health Services; and EverWell for Wellness Services. Excluding the customers associated with our marketing technology solutions, the Company served more than 725,000 customers (see Note 3. Discontinued Operations). Within the core verticals, customers operate within numerous micro-verticals, ranging from home service professionals, such as construction contractors and home maintenance technicians, to physician practices and therapists in the Health Services industry, to salon owners in the Wellness sector. The platform provides vertically-tailored SaaS solutions that address service SMBs’ increasingly nuanced demands, as well as highly complementary solutions that provide fully-integrated offerings, allowing service SMBs and EverCommerce to succeed in the market, and provide end consumers more convenient service experiences. The Company is headquartered in Denver, Colorado, and has operations across the United States, Canada, Jordan, United Kingdom, Australia and New Zealand.

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

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2024 and the related notes (“Annual Report on Form 10-K”). The December 31, 2024 consolidated balance sheet was derived from our audited consolidated financial statements as of that date. Our unaudited interim condensed consolidated financial statements include, in the opinion of management, all adjustments, consisting of normal and recurring items, necessary for the fair statement of the unaudited condensed consolidated financial statements. All intercompany accounts and transactions have been eliminated in consolidation. There have been no significant changes in accounting policies during the six months ended June 30, 2025 from those disclosed in the annual consolidated financial statements for the year ended December 31, 2024 and the related notes.

The operating results for the three and six months ended June 30, 2025 are not necessarily indicative of the results expected for the full year ending December 31, 2025.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are subject to uncertainties due to the levels of subjectivity and judgement necessary to account for highly uncertain matters or the susceptibility of such matters to change. Significant items subject to such estimates include: valuing identified intangible assets and acquired goodwill and establishing estimated useful lives for intangible assets in connection with business combinations; the estimation of the recoverability of goodwill and other intangible assets; income tax uncertainties, including valuation allowance for deferred tax assets and value of any uncertain tax positions; recognizing bad debt expense from expected credit losses; recognizing stock-based compensation expense and estimating standalone selling price, when applicable, for the allocation of transaction price when multiple performance obligations are included in a contract with a customer.

Assets and Liabilities Held for Sale and Discontinued Operations

The Company classifies assets and liabilities as held for sale (the “disposal group”) in the period when all the relevant classification criteria have been met. Assets and liabilities held for sale are measured at the lower of carrying value or fair value less cost to sell. Any loss resulting from the measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of the disposal group until the date of sale. The fair value of the disposal group, less any cost to sell, will be reassessed during each subsequent reporting period it remains classified as held for sale, and any subsequent changes will be reported as an adjustment to the carrying value of the disposal group until the disposal group is no longer classified as held for sale. Upon determining that the disposal group meets the criteria to be classified as held for sale, the Company discontinues depreciation and amortization and the related assets and liabilities are reported as held for sale on the unaudited condensed consolidated balance sheets.

As part of this assessment, the Company also evaluates the criteria for reporting the disposal group as a discontinued operation. Factors which the Company considers include, but are not limited to, whether the disposal represents a strategic shift that would have a major effect on the Company's operations and financial results.

Notes to Unaudited Condensed Consolidated Financial Statements

In late 2024, the Company began a process to review strategic alternatives for its marketing technology solutions. On March 5, 2025, the Board of Directors (“the Board”), in conjunction with Company management committed to a plan to sell the Company’s marketing technology solutions, which is expected to result in a sale transaction in 2025. The Company is currently engaged in an active program to sell its marketing technology solutions. Additionally, the Company determined that its decision to sell marketing technology solutions is considered a strategic shift that will have a major effect on the Company’s operations and financial results and met the criteria for classification as discontinued operations. As a result, the assets and liabilities of marketing technology solutions are presented as held for sale on our unaudited condensed consolidated balance sheets and their operating results are presented as discontinued operations in our unaudited condensed consolidated statements of operations and comprehensive loss for all periods presented. The unaudited condensed consolidated statements of cash flow are inclusive of continuing and discontinued operations for all periods presented. Certain prior period amounts related to discontinued operations have been reclassified and separately presented in the consolidated financial statements and accompanying notes to conform to the current year presentation. Unless otherwise noted, disclosures throughout these notes to the unaudited condensed consolidated financial statements reflect continuing operations only. Refer to Note 3. Discontinued Operations for additional information.

Emerging Growth Company

As an emerging growth company (“EGC”), the Jumpstart Our Business Startups Act (“JOBS Act”) allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. The Company has elected to use the extended transition period under the JOBS Act until the earlier of the date that it is (i) no longer an EGC or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, the financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. The adoption dates are discussed below to reflect this election within the “*Recently Issued Accounting Pronouncements*” section.

Recently Issued Accounting Pronouncements

We evaluate all Accounting Standards Updates (“ASUs”) issued by the Financial Accounting Standards Board (the “FASB”) for consideration of their applicability. ASUs not included in the disclosures in this report were assessed and determined to be either not applicable or are not expected to have a material impact on our consolidated financial statements.

Accounting pronouncements not yet adopted

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This update is intended to improve transparency of income tax disclosure by requiring consistent categories and greater disaggregation within the rate reconciliation and disaggregation of income taxes paid by jurisdiction. The amendments in this update are effective for annual periods beginning after December 15, 2024 with early adoption permitted. The amendments in this update should be applied on a prospective basis with retrospective application permitted. The Company is currently evaluating the impact of adopting this update on its consolidated financial statements and disclosures. However, we do not expect that the adoption of this guidance will have a material impact on our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires public companies to disclose, in the notes to financial statements, specified information about certain costs and expenses at each interim and annual reporting period. Public companies will be required to disclose the amounts related to purchases of inventory, employee compensation, depreciation, intangible asset amortization, and selling expenses. The amendments in this update are effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting the amendments in this update on its consolidated financial statements and disclosures.

Note 3. Discontinued Operations

The Company determined that its marketing technology solutions met the criteria for discontinued operations reporting effective in the first quarter 2025 (see Note 2. Summary of Significant Accounting Policies). As such, the assets and liabilities of the disposal group are classified as held for sale on our unaudited condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024. The results of operations of marketing technology solutions are presented as income (loss) from discontinued operations, net of income tax on the unaudited condensed consolidated statements of operations and comprehensive loss. During the three and six months ended June 30, 2025, we measured the assets and liabilities of the marketing technology disposal group at estimated fair value less cost to sell and recognized a gain of \$0.4 million and a loss of \$2.2 million, respectively, and a goodwill impairment charge of \$6.9 million during the six months ended June 30, 2025, which are included in (gain) loss on held for sale and impairments within discontinued operations on our unaudited condensed consolidated statements of operations and comprehensive loss.

Notes to Unaudited Condensed Consolidated Financial Statements

The following table summarizes the results of operations of marketing technology solutions reported as discontinued operations:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	<i>(in thousands)</i>			
Total revenues	\$ 34,536	\$ 36,870	\$ 63,168	\$ 69,131
Operating expenses:				
Cost of revenues (exclusive of depreciation and amortization presented separately below)	26,107	29,786	46,768	55,078
Sales and marketing	2,583	1,993	5,285	4,197
Product development	1,423	936	2,509	1,830
General and administrative	2,436	2,942	4,719	5,091
Depreciation and amortization	—	2,037	1,191	4,084
(Gain) loss on held for sale and impairments	(412)	—	9,021	(11)
Total operating expenses	32,137	37,694	69,493	70,269
Operating income (loss)	2,399	(824)	(6,325)	(1,138)
Other income, net	—	—	3	—
Net income (loss) before income tax benefit	2,399	(824)	(6,322)	(1,138)
Income tax (expense) benefit	(7)	—	67	—
Income (loss) from discontinued operations, net of income tax	\$ 2,392	\$ (824)	\$ (6,255)	\$ (1,138)

The components of assets and liabilities classified as held for sale on our condensed consolidated balance sheets were as follows:

	June 30, 2025	December 31, 2024
	<i>(in thousands)</i>	
Assets:		
Accounts receivable, net	11,121	9,065
Contract assets	467	474
Prepaid expenses and other current assets	1,711	1,883
Property and equipment, net	515	529
Capitalized software, net	2,451	2,071
Other non-current assets	3,268	3,359
Intangible assets, net	14,670	15,668
Goodwill	16,288	23,152
Total assets	50,491	56,201
Valuation allowance	(2,155)	—
Assets held for sale	\$ 48,336	\$ 56,201
Liabilities:		
Accounts payable	\$ 497	\$ 1,442
Accrued expenses and other	7,532	7,659
Deferred revenue	4,089	3,009
Customer deposits	21	2,188
Other long-term liabilities	579	973
Liabilities held for sale	12,718	15,271
Assets held for sale, net	\$ 35,618	\$ 40,930

The amount identified as valuation allowance in the above table is the amount necessary to reduce the carrying value of the marketing technology disposal group to estimated fair value less cost to sell as required by applicable accounting standards for discontinued operations measurement.

Notes to Unaudited Condensed Consolidated Financial Statements

The following table presents the significant non-cash items related to discontinued operations that are included in the accompanying statements of cash flows:

	Three months ended June 30,		Six months ended June 30,					
	2025	2024	2025	2024				
<i>(in thousands)</i>								
Adjustments to reconcile net loss to net cash used in operating activities:								
Depreciation and amortization	\$	—	\$	2,037	\$	1,191	\$	4,084
Share-based compensation		200		207		382		373
(Gain) loss on assets held for sale and impairments		(412)		—		9,021		(11)

Note 4. Fitness Solutions Disposition

On March 13, 2024, the Company entered into definitive sale and purchase agreements to sell its fitness solutions to Jonas Fitness Portfolio Holdco Inc. (“Jonas Software”). The sale of American Service Finance LLC., ASF Payment Solutions ULC and Technique Fitness Inc. (collectively, “North American Fitness”), closed simultaneously with signing. The sale of EverCommerce UK, including wholly-owned subsidiaries Fiti UK (MyPTHub and MyPTHub LLC) and ClubWise UK and its wholly-owned subsidiary ClubWise Australia (collectively, “UK Fitness” and together with North American Fitness, “Fitness Solutions”), closed July 1, 2024. The divestiture did not qualify for discontinued operations. As a result, our unaudited condensed consolidated financial statements include the results of North American Fitness and UK Fitness for all periods through the applicable date of sale. During the three and six months ended June 30, 2024, the Company recognized losses of \$0.2 million and \$5.0 million, respectively, related to the sale of Fitness Solutions, which are included in loss on held for sale and impairments on our unaudited condensed consolidated statements of operations and comprehensive loss. Additionally, the Company recognized a \$6.4 million goodwill impairment charge representing the allocated goodwill to Fitness Solutions, which is included in loss on held for sale and impairments on the unaudited condensed consolidated statements of operations and comprehensive loss. During the three and six months ended June 30, 2024, we measured the assets and liabilities held for sale at fair value less cost to sell and recognized losses of \$0.3 million and \$2.9 million, respectively, which are included in loss on held for sale and impairments on our unaudited condensed consolidated statements of operations and comprehensive loss. The loss during the three months ended June 30, 2024 was primarily due to an increase in our accrual of estimated costs to sell.

Note 5. Revenue

Disaggregation of Revenue

The following tables present a disaggregation of our revenue from contracts with customers by revenue recognition pattern and geographical market:

	Three months ended June 30,		Six months ended June 30,					
	2025	2024	2025	2024				
<i>(in thousands)</i>								
By pattern of recognition (timing of transfer of services):								
Point in time	\$	2,725	\$	2,854	\$	5,333	\$	5,982
Over time		145,290		137,669		284,955		272,393
Total	\$	148,015	\$	140,523	\$	290,288	\$	278,375
By geographical market:								
United States	\$	132,478	\$	125,957	\$	259,608	\$	244,818
International		15,537		14,566		30,680		33,557
Total	\$	148,015	\$	140,523	\$	290,288	\$	278,375

Notes to Unaudited Condensed Consolidated Financial Statements

Contract Balances

Supplemental balance sheet information related to contracts from customers as of:

	June 30, 2025	December 31, 2024
	(in thousands)	
Accounts receivable, net	\$ 35,102	\$ 31,090
Contract assets	\$ 15,595	\$ 12,839
Deferred revenue	\$ 23,155	\$ 22,107
Customer deposits	\$ 13,049	\$ 11,382
Long-term deferred revenue	\$ 378	\$ 512

Accounts receivable, net: Accounts receivable, net of allowance for expected credit losses, represent rights to consideration in exchange for products or services that have been transferred by us, when payment is unconditional and only the passage of time is required before payment is due.

Contract assets: Contract assets represent rights to consideration in exchange for products or services that have been transferred (i.e., the performance obligation or portion of the performance obligation has been satisfied), but payment is conditional on something other than the passage of time. These amounts typically relate to contracts with the suppliers within our group purchasing programs for which payment is received at least one quarter in arrears from the service period. They also relate to contracts that include on-premise licenses and professional services where the right to payment is not present until completion of the contract or achievement of specified milestones and the fair value of products or services transferred exceed this constraint.

Contract liabilities: Contract liabilities, or deferred revenue, represent our obligation to transfer products or services to a customer for which consideration has been received in advance of the satisfaction of performance obligations. Long-term deferred revenue is included within other non-current liabilities on the unaudited condensed consolidated balance sheets. Revenue recognized from the contract liability balance at December 31, 2024 was \$19.1 million for the six months ended June 30, 2025.

Customer deposits: Customer deposits relate to payments received in advance for contracts, which allow the customer to terminate a contract and receive a pro rata refund for the unused portion of payments received to date.

Accounts Receivable

Activity in our allowance for expected credit losses is as follows as of:

	June 30,	
	2025	2024
	(in thousands)	
Allowance for expected credit losses, beginning of year	\$ 2,283	\$ 3,328
Bad debt expense	1,287	1,091
Write-offs, net of recoveries	(916)	(1,511)
Disposition of Fitness Solutions	—	(96)
Transfer to held for sale	—	(53)
Allowance for expected credit losses, end of period	\$ 2,654	\$ 2,759

Remaining Performance Obligations

Remaining performance obligations represent the transaction price of unsatisfied or partially satisfied performance obligations within contracts with an original expected contract term that is greater than one year for which fulfillment of the contract has started as of the end of the reporting period. Contracts that include 30-day termination rights are considered to be contracts with a term of one month and are therefore excluded from remaining performance obligations. Remaining performance obligations generally relate to those which are stand-ready in nature, as found within the subscription revenue streams. The aggregate amount of transaction consideration allocated to remaining performance obligations as of June 30, 2025 was \$19.1 million. The Company expects to recognize approximately 62% of its remaining performance obligations as revenue within the next year, 30% of its remaining performance obligations as revenue the subsequent year, 7% of its remaining performance obligations as revenue in the third year, and the remainder during the two-year period thereafter.

Notes to Unaudited Condensed Consolidated Financial Statements

Cost to Obtain and Fulfill a Contract

Assets resulting from costs to obtain contracts are included within prepaid expenses and other current assets for short-term balances and other non-current assets for long-term balances on the Company’s unaudited condensed consolidated balance sheets. The costs to obtain contracts are amortized over five years, which corresponds with the useful life of the related technology. Short-term assets were \$9.5 million and \$8.9 million at June 30, 2025 and December 31, 2024, respectively, and long-term assets were \$15.5 million and \$16.0 million at June 30, 2025 and December 31, 2024, respectively. The Company recorded amortization expense within sales and marketing on the unaudited condensed consolidated statements of operations and comprehensive loss of \$1.5 million and \$1.3 million for the three months ended June 30, 2025 and 2024, respectively, and \$2.9 million and \$2.6 million for the six months ended June 30, 2025 and 2024, respectively. The Company recorded amortization expense within cost of revenues on the unaudited condensed consolidated statements of operations and comprehensive loss of \$0.9 million and \$0.7 million for the three months ended June 30, 2025 and 2024, respectively, and \$1.8 million and \$1.4 million for the six months ended June 30, 2025 and 2024, respectively.

Note 6. Goodwill

Goodwill activity consisted of the following for the six months ended June 30, 2025 (in thousands):

Balance at December 31, 2024	\$ 863,152
Effect of foreign currency exchange rate changes	4,053
Balance at June 30, 2025	<u>\$ 867,205</u>
Accumulated impairment losses at June 30, 2025	\$ (41,332)

Goodwill totaling \$16.3 million relating to marketing technology solutions was reclassified to assets held for sale as of June 30, 2025. The marketing technology solutions goodwill amount was included in the determination of the impairment charge recorded during the three and six months ended June 30, 2025 to adjust the carrying amount of the disposal group’s assets to its estimated fair value less selling costs, which is included in accumulated impairment losses. Refer to Note 3. Discontinued Operations for additional information.

During the fourth quarter of 2024, in conjunction with our review of strategic alternatives for our marketing technology solutions, the Company evaluated the recoverability of our marketing technology reporting unit and determined that the estimated fair value was insufficient to recover the net carrying value of the reporting unit resulting in an impairment charge of approximately \$28.1 million during the year ended December 31, 2024, which is included in accumulated impairment losses.

In connection with the definitive sale and purchase agreements to sell our fitness solutions, we tested the goodwill balance for impairment as of March 31, 2024 (see Note 4. Fitness Solutions Disposition). During the six months ended June 30, 2024, we recognized a \$6.4 million goodwill impairment charge representing the allocated goodwill to Fitness Solutions, which is included in loss on held for sale and impairments on the unaudited condensed consolidated statements of operations and comprehensive loss.

Note 7. Intangible Assets

Intangible assets consisted of the following as of:

	Useful Life	June 30, 2025		
		Gross Carrying Value	Accumulated Amortization	Net Book Value
<i>(in thousands)</i>				
Customer relationships	5-20 years	\$ 511,583	\$ 348,495	\$ 163,088
Developed technology	5-12 years	93,899	80,559	13,340
Trade name	3-10 years	33,894	26,283	7,611
Non-compete agreements	5 years	1,940	1,935	5
Total		<u>\$ 641,316</u>	<u>\$ 457,272</u>	<u>\$ 184,044</u>

Notes to Unaudited Condensed Consolidated Financial Statements

	Useful Life	December 31, 2024		
		Gross Carrying Value	Accumulated Amortization	Net Book Value
<i>(in thousands)</i>				
Customer relationships	5-20 years	\$ 511,374	\$ 327,038	\$ 184,336
Developed technology	5-12 years	93,855	76,430	17,425
Trade name	3-10 years	33,881	24,477	9,404
Non-compete agreements	5 years	1,936	1,929	7
Total		<u>\$ 641,046</u>	<u>\$ 429,874</u>	<u>\$ 211,172</u>

Amortization expense was \$13.5 million and \$16.8 million for the three months ended June 30, 2025 and 2024, respectively, and \$27.2 million and \$34.3 million for the six months ended June 30, 2025 and 2024, respectively.

Note 8. Property and Equipment

Property and equipment consisted of the following as of:

	June 30,	December 31,
	2025	2024
<i>(in thousands)</i>		
Computer equipment and software	\$ 10,782	\$ 9,873
Furniture and fixtures	3,074	3,058
Leasehold improvements	9,988	9,988
Total property and equipment	23,844	22,919
Less accumulated depreciation	(18,054)	(16,790)
Property and equipment, net	<u>\$ 5,790</u>	<u>\$ 6,129</u>

Depreciation expense was \$0.6 million and \$0.8 million for the three months ended June 30, 2025 and 2024, respectively, and \$1.3 million and \$1.8 million for the six months ended June 30, 2025 and 2024, respectively.

Note 9. Capitalized Software

Capitalized software consisted of the following as of:

	June 30,	December 31,
	2025	2024
<i>(in thousands)</i>		
Capitalized software	\$ 79,546	\$ 68,057
Less: accumulated amortization	(31,366)	(26,462)
Capitalized software, net	<u>\$ 48,180</u>	<u>\$ 41,595</u>

Amortization expense was \$2.5 million and \$2.3 million for the three months ended June 30, 2025 and 2024, respectively, and \$4.9 million and \$4.7 million for the six months ended June 30, 2025 and 2024, respectively. During the ordinary course of business, the Company may determine that certain capitalized features of its software will no longer be used either internally or to deliver value to its customers. The Company recorded a charge of \$0.4 million for both the three months ended June 30, 2025 and 2024, and \$0.8 million and \$0.4 million for the six months ended June 30, 2025 and 2024, respectively, related to capitalized costs associated with abandoned projects, which are included in general and administrative expense on the unaudited condensed consolidated statements of operations and comprehensive loss.

Notes to Unaudited Condensed Consolidated Financial Statements

Note 10. Leases

The Company leases real estate from unrelated parties under operating lease agreements that have initial terms ranging from one year to 9 years. Some leases include one or more options to renew, generally at our sole discretion, of five additional years each.

The components of lease expense are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	<i>(in thousands)</i>			
Operating lease cost	\$ 827	\$ 900	\$ 1,681	\$ 2,069
Variable lease cost	621	828	1,127	1,276
Short-term lease cost	85	138	162	244
Total lease cost	<u>\$ 1,533</u>	<u>\$ 1,866</u>	<u>\$ 2,970</u>	<u>\$ 3,589</u>

The Company ceased use of certain leased premises and subleased certain facilities resulting in impairment charges of \$0.4 million during the six months ended June 30, 2024 to impair the right-of-use lease assets to their fair value, which are included in loss on held for sale and impairments on our unaudited condensed consolidated statement of operations and comprehensive loss.

Supplemental cash flow information related to leases is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	<i>(in thousands)</i>			
Cash paid for operating lease liabilities	\$ 977	\$ 1,358	\$ 2,017	\$ 2,479
Operating lease assets obtained in exchange for operating lease liabilities	\$ 135	\$ 763	\$ 334	\$ 940

Supplemental balance sheet information, included in other non-current assets, accrued expenses and other and other non-current liabilities on the unaudited condensed consolidated balance sheets, related to leases is as follows:

	June 30, 2025	December 31, 2024
	<i>(in thousands)</i>	
Operating lease right-of-use assets	\$ 9,459	\$ 10,464
Current operating lease liabilities	3,485	3,084
Long-term operating lease liabilities	11,632	13,212
Total operating lease liabilities	<u>\$ 15,117</u>	<u>\$ 16,296</u>

At June 30, 2025 and December 31, 2024, the weighted average remaining lease term for operating leases was 4.65 years and 5.15 years, respectively, and the weighted average discount rate was 5.3% and 5.2%, respectively.

Notes to Unaudited Condensed Consolidated Financial Statements

Future undiscounted cash flows for each of the next five years and thereafter and reconciliation to the lease liabilities recognized on the balance sheet as of June 30, 2025 is as follows (in thousands):

Year ended December 31,	
2025 (remainder of year)	\$ 2,195
2026	4,133
2027	3,518
2028	2,792
2029	2,481
Thereafter	2,254
Total lease payments	17,373
Less: imputed interest	2,256
Total present value of lease liabilities	\$ 15,117

Note 11. Long-Term Debt

Long-term debt consisted of the following as of:

	June 30, 2025	December 31, 2024
	<i>(in thousands)</i>	
Term note with interest payable monthly, interest rate at Adjusted SOFR, plus an applicable margin of 2.50% (6.82681% at June 30, 2025) quarterly principal payments of 0.25% of original principal balance with balloon payment due July 2028 ⁽¹⁾	\$ 529,375	\$ 532,125
Revolver with interest payable monthly, interest rate at Adjusted SOFR, plus an applicable margin of 2.50% (6.93677% at June 30, 2025), and outstanding balance due January 2028 ⁽¹⁾	—	—
Principal debt	529,375	532,125
Deferred financing costs on long-term debt	(2,627)	(3,069)
Discount on long-term debt	(954)	(1,114)
Total debt	525,794	527,942
Less current maturities	5,500	5,500
Long-term portion	\$ 520,294	\$ 522,442

⁽¹⁾ See Note 20. Subsequent Event for additional information on the July 29, 2025 amendment to refinance and extend the maturity date.

The Company is party to a credit agreement, as amended, that provides for one term loan in the aggregate principal amount of \$533.5 million (the “Term Loan”), a revolver with a capacity of \$155.0 million (the “Revolver”) and a sub-limit of the Revolver available for letters of credit up to an aggregate face amount of \$20.0 million as of June 30, 2025. These debt arrangements are collectively referred to herein as the “Credit Facilities”.

Effective as of July 1, 2023, borrowings under the Credit Facilities bear interest at the Company’s option at Alternative Base Rate (“ABR”) plus an applicable rate, or at a forward-looking term rate based upon the secured overnight financing rate (“SOFR”), plus (i) (a) with respect to the Term Loan, credit spread adjustments of 0.11448%, 0.26161%, 0.42826% and 0.71513% for interest periods of one, three, six and twelve months, respectively, and (b) with respect to revolving loans, a credit spread adjustment of 0.0% (“Adjusted SOFR”) plus (ii) an applicable rate, in each case with such applicable rate based on the Company’s first lien net leverage ratio. The ABR represents the highest of the prime rate, Federal Reserve Bank of New York rate plus ½ of 1%, and the Adjusted SOFR for a one month interest period plus 1.0%.

On December 13, 2024, the Company entered into an amendment (the “Amendment”) to the Credit Facilities to reduce the applicable margin and remove the credit spread adjustment from the existing Term Loan in their entirety in an aggregate principal amount of \$533.5 million. Following the Amendment, the Term Loan bears interest, at the borrower’s election, at (x) a forward-looking term rate based upon SOFR plus an applicable margin of 2.50%, with a minimum forward-looking SOFR rate 0.50% or (y) ABR plus an applicable margin of 1.50%, with a minimum ABR of 1.50%, in each case, with no step-downs. The credit spread adjustment was removed in connection with the Amendment. The refinanced Term Loan priced at par and refinanced the existing term loan outstanding under the Credit Agreement immediately prior to giving effect to the Amendment.

Notes to Unaudited Condensed Consolidated Financial Statements

Effective as of June 10, 2025, the Company entered into an additional amendment to the Credit Facilities to reduce the commitments outstanding under the Revolver, extend the maturity of a portion of such commitments and reduce the applicable margin with respect to extended revolving loans. As a result of the amendment, commitments under the Revolver were reduced to from \$190.0 million to \$155.0 million. With respect to \$125.0 million of such commitments, (i) the maturity date was extended to January 6, 2028 and (ii) the applicable margin for (x) Term SOFR loans was reduced to 2.50% and (y) Alternate Base Rate loans was reduced to 1.50%, in each case, subject to a single 0.25% step-down based on the Company’s first lien net leverage ratio. With respect to the remaining \$30.0 million of such commitments, (i) the maturity date remains July 6, 2026 and (ii) the applicable margin was unchanged.

The Company determines the fair value of long-term debt based on trading prices for its debt if available. As of June 30, 2025, the Company obtained trading prices for the term notes outstanding. However, as such trading prices require significant unobservable inputs to the pricing model, such instruments are classified as Level 2. The fair value amounts were approximately \$531.4 million and \$537.4 million as of June 30, 2025 and December 31, 2024, respectively.

The Company has entered into the following interest rate swap agreements in connection with its Credit Facilities to convert a portion of the floating rate component of the Term Loan from a floating rate to fixed rate:

Swap	Effective Date	Expiration Date	Fixed Interest Rate	Notional Amount	Asset (Liability) Fair Value at June 30, 2025
				<i>(in thousands)</i>	<i>(in thousands)</i>
Initial Swap	October 31, 2022	October 31, 2027	4.212 %	\$ 200,000	\$ (3,511)
Second Swap	March 31, 2023	October 31, 2027	3.951 %	100,000	(1,165)
Third Swap	September 20, 2024	October 31, 2027	3.395 %	125,000	165

The Swap Agreements are accounted for as derivatives whereby the fair value of each contract is reported within the unaudited condensed consolidated balance sheets, and related gains or losses resulting from changes in the fair value are reported in interest and other expense, net, on the unaudited condensed consolidated statements of operations and comprehensive loss. As of June 30, 2025 the fair value of the Initial and Second Swaps were a liability of \$4.7 million, while the fair value of the Third Swap was an asset of \$0.2 million, which are reported in other non-current liabilities and other non-current assets, respectively, on the unaudited condensed consolidated balance sheets. The related gains and losses resulting from changes in fair value was a loss of \$2.2 million and a gain \$1.0 million during the three months ended June 30, 2025 and 2024, respectively, and a loss of \$6.0 million and a gain of \$5.8 million during the six months ended June 30, 2025 and 2024, respectively.

The Company’s Credit Facilities are subject to certain financial and nonfinancial covenants and are secured by substantially all assets of the Company. As of June 30, 2025, the Company was in compliance with all of its covenants.

Aggregate maturities of the Company’s debt for the years ending December 31 are as follows as of June 30, 2025 (in thousands):

Year ending December 31:	
2025 (remainder of year)	\$ 2,750
2026	5,500
2027	5,500
2028	515,625
Thereafter	—
Total aggregate maturities of the Company’s debt	<u>\$ 529,375</u>

Note 12. Equity

On July 6, 2021, the Company filed an Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to authorize the issuance up to 2,050,000,000 shares, par value \$0.00001 per share, consisting of 2,000,000,000 shares of common stock and 50,000,000 shares of preferred stock.

On June 14, 2022, our Board approved a stock repurchase program (as subsequently amended, the “Repurchase Program”) with authorization to purchase up to \$50.0 million in shares of the Company’s common stock through the expiration of the program on December 21, 2022. On November 7, 2022, November 5, 2023, May 21, 2024, and May 1, 2025 our Board increased the authorization of the Repurchase Program by an additional \$50.0 million in shares of the Company’s common stock on each date for a total authorization to repurchase up to \$250.0 million in shares of the Company’s common stock and, most recently, extended the

Notes to Unaudited Condensed Consolidated Financial Statements

expiration of the Repurchase Program through December 31, 2026. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases to be determined at the Company's discretion, depending on market conditions and corporate needs. The Repurchase Program does not obligate the Company to acquire any particular amount of common stock and may be modified, suspended or terminated at any time at the discretion of the Board. The Company expects to fund repurchases with existing cash on hand.

The Company repurchased and retired 2.0 million and 3.1 million shares of common stock pursuant to the Repurchase Program for \$20.6 million and \$31.8 million including transaction fees and taxes, during the three and six months ended June 30, 2025, respectively. As of June 30, 2025, \$51.1 million remained available under the Repurchase Program.

Note 13. Stock-Based Compensation

In 2016, the Company adopted the 2016 Equity Incentive Plan (the "2016 Plan"). The 2016 Plan provided for the granting of stock-based awards, including stock options, stock appreciation rights, restricted or unrestricted stock awards, phantom stock, performance awards, and other stock-based awards. The 2016 Plan allowed for the granting of stock-based awards through January 17, 2027.

In connection with the Initial Public Offering ("IPO"), the Company's Board adopted, and the Company's stockholders approved, the 2021 Incentive Award Plan (the "2021 Plan"), which became effective immediately prior to the effectiveness of the registration statement for the Company's IPO and, as a result of which, the Company can no longer make awards under the 2016 Plan. The 2021 Plan provides for the issuance of incentive stock options, non-qualified stock options, stock awards, stock units, stock appreciation rights and other stock-based awards. The number of shares initially reserved for issuance under the 2021 Plan was 22,000,000 shares, inclusive of available shares previously reserved for issuance under the 2016 Plan. In addition, the number of shares reserved for issuance under the 2021 Plan is subject to an annual increase on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2031, equal to the lesser of (i) 3% of the shares outstanding (on an as-converted basis) on the last day of the immediately preceding fiscal year and (ii) such smaller number of shares as determined by the Company's Board, provided that no more than 22,000,000 shares may be issued upon the exercise of incentive stock options. Based on the Company's outstanding shares of common stock as of December 31, 2024, as of January 1, 2025 the number of shares reserved for issuance under the 2021 Plan increased by 5.5 million.

In connection with the IPO, the Company's Board adopted the 2021 Employee Stock Purchase Plan (the "ESPP"). For more information on the ESPP, refer to Note 12. Stock-Based Compensation in the Annual Report on Form 10-K.

The following table summarizes our RSU and stock option activity for the six months ended June 30, 2025:

	RSUs	Stock Options
	<i>(in thousands)</i>	
Outstanding as of January 1, 2025	3,901	14,488
Granted	2,762	930
Vested or exercised	(358)	(167)
Cancelled or forfeited	(231)	(166)
Outstanding as of March 31, 2025	6,074	15,085
Granted	415	464
Vested or exercised	(590)	(631)
Cancelled or forfeited	(296)	(950)
Outstanding as of June 30, 2025	5,603	13,968

As of June 30, 2025, total unrecognized compensation expense was \$48.3 million and \$7.8 million related to outstanding RSUs and stock options, respectively.

Notes to Unaudited Condensed Consolidated Financial Statements

Stock-based compensation expense from continuing operations was classified on the unaudited condensed consolidated statements of operations and comprehensive loss as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	<i>(in thousands)</i>			
Cost of revenues	\$ 120	\$ 102	\$ 217	\$ 197
Sales and marketing	393	364	713	699
Product development	653	543	1,113	1,045
General and administrative	6,906	5,238	12,784	9,716
Total stock-based compensation expense	<u>\$ 8,072</u>	<u>\$ 6,247</u>	<u>\$ 14,827</u>	<u>\$ 11,657</u>

Note 14. Net Income (Loss) Per Share Attributable to Common Stockholders

The following table presents the calculation of basic and diluted net loss per share for the Company's common stock as of:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	<i>(in thousands except per share amounts)</i>			
Numerator:				
Net income (loss) from continuing operations	\$ 5,761	\$ (2,552)	\$ 6,695	\$ (18,562)
Income (loss) from discontinued operations, net of income tax	2,392	(824)	(6,255)	(1,138)
Net income (loss) attributable to common stockholders.	<u>\$ 8,153</u>	<u>\$ (3,376)</u>	<u>\$ 440</u>	<u>\$ (19,700)</u>
Denominator:				
Weighted-average shares of common stock outstanding, basic	182,600	185,183	183,032	185,908
Weighted-average shares of common stock outstanding, diluted	184,241	185,183	184,838	185,908
Net income (loss) per share attributable to common stockholders, basic:				
Continuing operations	\$ 0.03	\$ (0.02)	\$ 0.04	\$ (0.10)
Discontinued operations	0.01	—	(0.04)	(0.01)
Net income (loss) per share	<u>\$ 0.04</u>	<u>\$ (0.02)</u>	<u>\$ —</u>	<u>\$ (0.11)</u>
Net income (loss) per share attributable to common stockholders, diluted:				
Continuing operations	\$ 0.03	\$ (0.02)	\$ 0.04	\$ (0.10)
Discontinued operations	0.01	—	(0.04)	(0.01)
Net income (loss) per share	<u>\$ 0.04</u>	<u>\$ (0.02)</u>	<u>\$ —</u>	<u>\$ (0.11)</u>

Notes to Unaudited Condensed Consolidated Financial Statements

The following table illustrates the reconciliation of the denominators of the basic and diluted EPS computations for income (loss) from continuing operations and loss from discontinued operations, net of income tax.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	<i>(in thousands)</i>			
Weighted-average shares of common stock outstanding, basic	182,600	185,183	183,032	185,908
Shares of common stock subject to outstanding RSUs	568	—	624	—
Shares of common stock subject to outstanding options	942	—	1,011	—
Shares of common stock pursuant to ESPP	131	—	171	—
Weighted-average shares of common stock outstanding, diluted	184,241	185,183	184,838	185,908

The following outstanding potentially dilutive common stock equivalents have been excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented due to their anti-dilutive effect as of:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	<i>(in thousands)</i>			
Outstanding stock options and unvested RSUs	18,062	17,645	17,936	17,645
Shares of common stock pursuant to ESPP	68	214	33	218
Total anti-dilutive outstanding potential common stock	18,130	17,859	17,969	17,863

Note 15. Fair Value of Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair value.

The Company measures fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The Company utilizes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- **Level 1:** Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.
- **Level 2:** Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.
- **Level 3:** Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying value of cash and cash equivalents, accounts receivable, contract assets and accounts payable approximate their fair value because of the short-term nature of these instruments. Our interest rate swaps are valued based upon interest yield curves, interest rate volatility and credit spreads. Our interest rate swaps are classified within Level 2 of the fair value hierarchy as all significant inputs are corroborated by observable data.

There were no transfers between fair value measurement levels during the three and six months ended June 30, 2025 and 2024.

Notes to Unaudited Condensed Consolidated Financial Statements

The following table presents information about the Company's financial assets and liabilities measured at fair value on a recurring basis as of:

	June 30, 2025				Balance Sheet Classification
	Level 1	Level 2	Level 3	Total	
	<i>(in thousands)</i>				
Assets:					
Money market	\$ 1,681	\$ —	\$ —	\$ 1,681	Cash equivalents
Interest rate swaps	—	165	—	165	Other non-current assets
Liability:					
Interest rate swaps	\$ —	\$ 4,676	\$ —	\$ 4,676	Other non-current liabilities

	December 31, 2024				Balance Sheet Classification
	Level 1	Level 2	Level 3	Total	
	<i>(in thousands)</i>				
Asset:					
Money market	\$ 9,324	\$ —	\$ —	\$ 9,324	Cash equivalents
Interest rate swaps	—	2,443	—	2,443	Other non-current assets
Liability:					
Interest rate swap	\$ —	\$ 947	\$ —	\$ 947	Other non-current liabilities

Note 16. Income Taxes

Our provision for income taxes in interim periods is based on our estimated annual effective tax rate plus the impact, if any, of discrete items recognized in the interim period. We record cumulative adjustments in the quarter in which a change in the estimated annual effective rate is determined.

The income tax expense was \$1.2 million and \$0.7 million for the three months ended June 30, 2025 and 2024, respectively, and \$1.8 million and \$6.6 million for the six months ended June 30, 2025 and 2024, respectively. The difference in income tax expense for the three and six months ended June 30, 2025 as compared to the corresponding periods in 2024 was driven primarily by an increase in net income from continuing operations and discrete items before tax, including the sale of North American Fitness during the six months ended June 30, 2024.

On July 4, 2025, President Trump signed H.R. 1, the “One Big Beautiful Bill Act,” into law. The legislation includes several changes to federal tax law that generally allow for more favorable deductibility of certain business expenses beginning in 2025, including the restoration of immediate expensing of domestic R&D expenditures, reinstatement of 100% bonus depreciation, and more favorable rules for determining the limitation on business interest expense. The act also includes certain changes to the US taxation of foreign activity, including changes to foreign tax credits, global intangible low-taxed income, foreign-derived intangible income, and base erosion and anti-abuse tax, amongst other changes. These changes are generally effective for tax years beginning after December 31, 2025. These changes were not reflected in the income tax provision for the period ended June 30, 2025, as enactment occurred after the balance sheet date. The Company is currently evaluating the impact on future periods.

Note 17. Commitments and Contingencies

The Company has non-cancelable contractual purchase obligations incurred in the normal course of business to help deliver our services and products and provide support to its customers. These contracts with vendors primarily relate to software service, targeted mail costs, third-party fulfillment costs and software hosting. Unrecognized future minimum payments due under these agreements are as follows (in thousands):

Notes to Unaudited Condensed Consolidated Financial Statements

Year ended December 31,		
2025 (remainder of year)	\$	6,498
2026		4,785
2027		2,625
2028		2,750
2029		687
Thereafter		—
Total future minimum payments due	\$	<u>17,345</u>

From time to time, the Company is involved in various lawsuits and legal proceedings which arise in or outside the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. Accruals for loss contingencies are recorded when a loss is probable, and the amount of such loss can be reasonably estimated. An adverse determination in one or more of these pending matters could have an adverse effect on the Company’s consolidated financial position, results of operations or cash flows.

On January 31, 2024, plaintiff Vladimir Gusinsky Revocable Trust filed a putative class action lawsuit in the Court of Chancery of the State of Delaware against the Company, members of its Board and the other parties to its sponsor stockholders agreement, dated June 30, 2021, Providence Strategic Growth II L.P., Providence Strategic Growth II-A L.P., SLA Eclipse Co-Invest, L.P., and SLA CM Eclipse Holdings, L.P. (collectively, the “Sponsor Stockholders”), captioned Vladimir Gusinsky Revocable Trust v. Eric Remer, Penny Baldwin, et. al., Case No. 2024-0077 (Del Ch.). The complaint generally alleges violations of Section 141(a) of the Delaware General Corporation Law (“DGCL”) by providing the Sponsor Stockholders with a veto right over the Board’s ability to hire or fire the Company’s Chief Executive Officer (the “CEO Approval Right”) on the basis that it unlawfully limits the Board’s authority to manage the business and affairs of the Company. The plaintiff seeks declaratory judgment that the CEO Approval Right is invalid and void, other declaratory and equitable relief for the class and/or the Company, attorneys’ and experts’ witness fees and other costs and expenses, and other equitable relief. On June 14, 2024, the Company filed its opening brief in support of its Motion to Dismiss, and on July 15, 2024, Plaintiff opposed that motion. On July 16, 2024, the Court entered a stipulation and order dismissing the director defendants from the action. On August 29, 2024, the remaining defendants, the Company and Sponsor Stockholders (collectively, “Defendants”), filed their reply in support of the Motion to Dismiss, and pursuant to a stipulation between the parties, Plaintiff filed a sur-reply on September 26, 2024, which Defendants filed a response to on October 10, 2024. On October 15, 2024, Defendants filed a Motion to Dismiss for Lack of Subject Matter Jurisdiction, arguing that the claims alleged are not ripe for adjudication and on November 15, 2024 Plaintiff opposed that motion. On December 9, 2024, Defendants filed their reply in support of the Motion to Dismiss for Lack of Subject Matter Jurisdiction. On January 3, 2025, the Court entered a minute order deferring oral argument on the pending Motion to Dismiss until after the disposition of the appeal in *Moelis & Company v. West Palm Beach Firefighters’ Pension Fund*, Case No. 340, 2024 (Del. Supr.). The Company believes it has meritorious defenses to the claims of the plaintiff and members of the class and any liability for the alleged claims is not currently probable and the potential loss or range of loss is not reasonably estimable.

The Company is party to additional legal proceedings incidental to its business. While the outcome of these additional matters could differ from management’s expectations, the Company does not believe that the resolution of such matters is reasonably likely to have a material effect on its results of operations or financial condition.

The Company assesses the applicability of nexus in jurisdictions in which the Company sells products and services. As of June 30, 2025 and December 31, 2024, the Company recorded a liability in the amount of \$9.9 million and \$10.7 million, respectively within current liabilities and other long-term liabilities as a provision for sales and use, gross receipts and goods and services tax. In connection with the Company’s accounting for acquisitions, the Company has recorded liabilities and corresponding provisional escrow or indemnity receivables within the purchase price allocations for instances in which the Company is indemnified for tax matters.

Note 18. Geographic Areas

The following table sets forth long-lived assets by geographic area as of:

	June 30, 2025	December 31, 2024
	<i>(in thousands)</i>	
United States	\$ 42,872	\$ 38,362
International	\$ 11,098	\$ 9,362

Notes to Unaudited Condensed Consolidated Financial Statements

Note 19. Segment Reporting

The Company operates in a single reportable segment. The segment derives revenue from providing SaaS and other technology-based solutions to help service SMBs optimize their operations, improve customer relationships and experience, and accelerate growth. The Company primarily focuses on three core vertical markets: EverPro for Home Services, EverHealth for Health Services, and EverWell for Wellness Services.

The accounting policies of the segment are the same as those described in the summary of significant accounting policies in our Annual Report on Form 10-K for the year ended December 31, 2024. Based on being a single reportable segment company, the Company has disclosed net income (loss) from continuing operations as its primary measure of profit or loss used by the chief operating decision maker (“CODM”), which is reported on the unaudited condensed consolidated statement of operations and comprehensive loss as net income (loss) from continuing operations. The CODM is provided financial information inclusive of net income (loss) from continuing operations, which is used to assess performance of the segment and decide how to allocate resources. The CODM uses net income (loss) from continuing operations, among other metrics, to assist in evaluating the financial performance of the Company and monitoring budget versus actual results. The CODM does not review assets in evaluating segments results, and therefore, such information is not presented. The measure of segment assets is reported on the consolidated balance sheets as total assets.

Disaggregated information is not used for assessing the performance of the Company or for making resource allocation decisions. The CODM reviews financial information presented on an aggregated and consolidated basis, together with revenue information of the three core vertical markets. The software and technology-based solutions provided by the Company are deployed and implemented to customers in a similar manner regardless of industry. See Notes 5. Revenue and 18. Geographic Areas for disaggregated information regarding the Company's revenues and long-lived assets by geography, respectively.

The following table provides segment information for revenues, net loss and significant expenses:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Total revenues	148,015	140,523	290,288	278,375
Less ⁽¹⁾ :				
Employee expense	57,107	58,852	112,907	115,970
Marketing and advertising	9,090	8,897	17,478	16,478
Communication services	5,991	5,064	11,670	10,619
Third-party commissions	4,941	5,407	10,237	10,741
Software, tools and hosting	15,503	13,970	29,142	27,247
Legal and professional fees	14,307	10,710	28,978	22,455
Loss on held for sale and impairments	—	459	85	11,691
Other segment items ⁽²⁾	8,685	9,560	16,427	18,962
Depreciation and amortization	16,589	19,901	33,357	40,805
Interest and other expense, net	8,798	9,552	21,557	15,343
Income tax expense	1,243	703	1,755	6,626
Total expenses	142,254	143,075	283,593	296,937
Net income (loss) from continuing operations	5,761	(2,552)	6,695	(18,562)
Income (loss) from discontinued operations, net of income tax	2,392	(824)	(6,255)	(1,138)
Net income (loss)	\$ 8,153	\$ (3,376)	\$ 440	\$ (19,700)

(1) The significant expense categories and amounts align with information that is regularly reviewed by the CODM.

(2) Other segment items include corporate overhead expenses, transaction-related and other non-recurring or unusual costs, facility expenses, bad debt and other miscellaneous cost of services.

Notes to Unaudited Condensed Consolidated Financial Statements

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Other Segment Disclosures				
Interest income	\$ 1,016	\$ 626	\$ 2,096	\$ 1,313
Interest expense	8,954	10,654	17,713	21,327
Other Significant Non-cash Items:				
Stock-based compensation	8,072	6,247	14,827	11,657

There are no reconciling items or adjustments between segment revenues, net loss, total assets and consolidated revenues, net loss and total assets.

Note 20. Subsequent Event

On July 29, 2025, the Company entered into an amendment to the Credit Facilities (the “2025 Amendment”) to, among other things, refinance the existing Term Loan in an aggregate principal amount of \$529.4 million. The 2025 Amendment, among other things, (i) extends the maturity date of the Term Loan to July 6, 2031, and (ii) reduces the applicable margin by 25 basis points with respect to all term loans. The Term Loan bears interest, at the Borrower’s election, at (x) Term SOFR (as defined in the Credit Agreement) plus an applicable margin of 2.25%, with a minimum Term SOFR rate of 0.50% or (y) Alternate Base Rate (as defined in the Credit Agreement) plus an applicable margin of 1.25%, with a minimum Alternate Base Rate of 1.50%, in each case, with no step-downs. The refinanced Term Loan priced at par and refinanced the existing term loan outstanding under the Credit Agreement immediately prior to giving effect to the 2025 Amendment.

Pursuant to the 2025 Amendment, with respect to \$125.0 million of commitments under the existing \$155.0 million Revolver, (i) the maturity date was extended to July 29, 2030 and (ii) the applicable margin for (x) Term SOFR loans was reduced to 2.00% and (y) Alternate Base Rate loans was reduced to 1.00%, in each case, subject to one 25 basis points step-up based on the Company’s first lien net leverage ratio. Other than the changes noted above, the terms and conditions of all commitments at closing as well as those extending beyond the original maturity date remain the same as the existing Revolver. Accordingly, \$155.0 million of availability remains under the Revolver until July 6, 2026 and then reduces to \$125.0 million through July 29, 2030.

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

Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to “EverCommerce,” the “Company,” “we,” “us” and “our” refer to EverCommerce Inc. and its consolidated subsidiaries. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2024 (the “Annual Report on Form 10-K”) filed with the Securities and Exchange Commission (“SEC”) on March 13, 2025. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future. Unless otherwise noted, disclosures within Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations relate solely to the Company’s continuing operations, which excludes the marketing technology disposal group.

Overview

EverCommerce is a leading provider of integrated, vertically-tailored software-as-a-service (“SaaS”) solutions for service-based small- and medium-sized businesses (“service SMBs”). Our platform spans across the full lifecycle of interactions between consumers and service professionals with vertical-specific applications. As of December 31, 2024, we served more than 740,000 customers primarily across three core verticals: EverPro for Home Services; EverHealth for Health Services; and EverWell for Wellness Services. Excluding the customers associated with marketing technology solutions, which we anticipate selling in the year ending December 31, 2025, we served more than 725,000 customers (see Note 3. Discontinued Operations in this Quarterly Report on Form 10-Q). Within our core verticals, our customers operate within numerous micro-verticals, ranging from home service professionals, such as home improvement contractors and home maintenance technicians, to physician practices and therapists within Health Services, to salon owners within Wellness. Our platform provides vertically-tailored SaaS solutions that address service SMBs’ increasingly specialized demands, as well as highly complementary solutions that provide fully-integrated offerings, allowing service SMBs and EverCommerce to succeed in the market, and provide end consumers more convenient service experiences.

We offer several vertically-tailored suites of solutions, each of which follows a similar and repeatable go-to-market playbook: offer a “system of action” Business Management Software that streamlines daily business workflows, integrate highly complementary, value-add adjacent solutions and complete gaps in the value chain to create integrated solutions. These solutions focus on addressing how service SMBs market their services, streamline operations and retain and engage their customers.

- **Business Management Software:** Our vertically-tailored Business Management Software is the system of action at the center of a service business’s operation, and is typically the point-of-entry and first solution adopted by a customer. Our software, designed to meet the day-to-day workflow needs of businesses in specific vertical end markets, streamlines front and back-office processes and provides polished customer-facing experiences. Using these offerings, service SMBs can focus on growing their customers, improving their services and driving more efficient operations.
- **Billing & Payment Solutions:** Our Billing & Payment Solutions provide integrated payments, billing and invoicing automation and business intelligence and analytics. Our omni-channel payments capabilities include point-of-sale, eCommerce, online bill payments, recurring billing, electronic invoicing and mobile payments. Supported payment types include credit card, debit card and Automated Clearing House (“ACH”) processing. Our payments platform also provides a full suite of service commerce features, including customer management as well as cash flow reporting and analytics. These value-add features help small- and medium-sized businesses (“SMBs”) to ensure more timely billing and payments collection and provide improved cash flow visibility.
- **Customer Experience Solutions:** Our Customer Experience Solutions modernize how businesses engage and interact with customers by leveraging innovative, bespoke customer listening and communication solutions to improve the customer experience and increase retention. Our software provides customer listening capabilities with real-time customer surveying and analysis to allow standalone businesses and multi-location brands to receive voice of the customer insights and manage the customer experience lifecycle. These applications include: customer health scoring, customer support systems, real-time alerts, Net Promoter Score-based customer feedback collection, review generation and automation, reputation management, customer satisfaction surveying and a digital communication suite, among others. These tools help our customers gain actionable insights, increase customer loyalty and repeat purchases and improve customer experiences.

We go to market with suites of solutions that are aligned to our three core verticals. Within each suite, our Business Management Software – the system of action at the center of a service business’ operation – is typically the first solution adopted by a customer. This vertically-tailored point-of-entry provides us with an opportunity to cross-sell adjacent products, previously offered as fragmented and disjointed point solutions by other software providers. This “land and expand” strategy allows us to acquire customers with key foundational solutions and expand into offerings via product development and acquisitions that cover all workflows and

power the full scope of our customers' businesses. This results in a self-reinforcing flywheel effect, enabling us to drive value for our customers and, in turn, improve customer stickiness, increase our market share and fuel our growth.

Our continuing operations generate two types of revenue: (i) Subscription and Transaction Fees, which are primarily recurring revenue streams, and (ii) Other revenue, which consists primarily of one-time revenue streams. Our recurring revenue generally consists of monthly, quarterly and annual software and maintenance subscriptions and transaction revenue associated with integrated payments and billing solutions.

Our business benefits from attractive unit economics. Approximately 97% of our revenue was recurring or re-occurring in both the six months ended June 30, 2025 and 2024, and we maintained an annualized net revenue retention rate from continuing operations of approximately 97% for both the quarters ended June 30, 2025 and 2024. Our annualized pro forma net revenue retention rate was equal to the annualized net revenue retention rate for the quarters ended June 30, 2025 and 2024, respectively, as the acquisitions and dispositions closed during the prior period were not material to our prior period unaudited condensed consolidated results on a proforma basis. We believe the retention and growth of revenue from our existing customers is a helpful measure of the health of our business and our future growth prospects. Our ability to cross sell additional products and services to our existing customers can increase customer engagement with our suite of solutions and thus have a positive impact on our net pro forma revenue retention rate. For example, we have leveraged our land and expand strategy to cross sell solutions to our existing customers, which has supported our high net pro forma revenue retention rate by increasing customer utilization of our solutions, educating customers as to how our platform and synergies can support their businesses and, in turn, improving customer stickiness.

We calculate our annualized net revenue retention rate based on the average of the annualized net revenue retention rate calculated for each month during the twelve-month period as of the most recent quarter end. Our calculation of net revenue retention rate for any fiscal period includes the positive recurring and re-occurring revenue impacts of selling new solutions to existing customers and the negative impacts of contraction and attrition among this set of customers. The annualized net revenue retention rate for a particular month is calculated as the recurring or re-occurring revenue gained/lost from existing customers, less the recurring or re-occurring revenue lost from cancelled customers as a percentage of total recurring or re-occurring revenue during the corresponding month of the prior year. For existing customers, we consider customers that existed 11 or more months prior to the current month and that do not have an end date (i.e., cancelled relationship) on or after the first day of the current month. For example, the recurring or re-occurring revenue gained/lost from existing customers in November 2024 is the difference between the recurring or re-occurring revenue generated in November 2024 and the same such revenue generated in November 2023, for customers with a start date prior to December 1, 2023 and no end date or cancelled relationship on or after November 1, 2024. For cancelled customers, we examine customers that cancelled their relationships on or after the first day of the month that is 12 months prior to the current month and before the first day of the current month. For example, the recurring or re-occurring revenue lost from cancelled customers in November 2024 is the difference between the recurring or re-occurring revenue generated in November 2024 and the same such revenue generated in November 2023, for customers that cancelled on or after November 1, 2023 and before November 1, 2024. The annualized pro forma net revenue retention rate is calculated as the annualized net revenue retention rate adjusted as though acquisitions and dispositions that were closed during the prior period presented were closed on the first day of such period presented. Our annualized net revenue retention rate and pro forma net revenue retention rate may fluctuate as a result of a number of factors, including the growing level of our revenue base, the level of penetration within our customer base, expansion of solutions, new acquisitions and dispositions and our ability to retain our customers. Our calculation of annualized net revenue retention rate and annualized pro forma net revenue retention rate may differ from similarly titled metrics presented by other companies.

Impact of Macroeconomic Climate

The macroeconomic climate has seen in the recent years, and may continue to see, pressure from global developments such as international geopolitical conflicts, increased tariffs and proposed tariffs between the United States and other nations, trade restrictions and conflict, terrorism, pandemics or health crises, rising inflation, fluctuations in the value of the US Dollar, rising interest rates and supply chain disruptions. These developments have had and may continue to have an adverse effect on our revenues and demand for our products and services, as well as on our costs of doing business. We have taken and will continue to take actions to help mitigate the impact of these economic challenges, but there can be no assurance as to the effectiveness of our efforts going forward.

Discontinued Operations

In late 2024, the Company began a process to review strategic alternatives for its marketing technology solutions. On March 5, 2025, the Board of Directors ("the Board"), in conjunction with Company management committed to a plan to sell the Company's marketing technology solutions, which is expected to result in a sale transaction in 2025. The Company is currently engaged in an active program to sell its marketing technology solutions. Additionally, the Company determined that its decision to sell marketing technology solutions is considered a strategic shift that will have a major effect on the Company's operations and financial results and met the criteria for classification as discontinued operations. As a result, the assets and liabilities of marketing technology solutions are

presented as held for sale on our unaudited condensed consolidated balance sheets and their operating results are presented as discontinued operations in our unaudited condensed consolidated statements of operations and comprehensive loss for all periods presented. During the three and six months ended June 30, 2025, we measured the assets and liabilities of the marketing technology disposal group at estimated fair value less cost to sell and recognized a gain of \$0.4 million and a loss of \$2.2 million, respectively, and a goodwill impairment charge of \$6.9 million during the six months ended June 30, 2025, which are included in loss from discontinued operations, net of income tax, on our unaudited condensed consolidated statements of operations and comprehensive loss.

Sale of Fitness Solutions

On March 13, 2024, we entered into definitive sale and purchase agreements to sell our fitness solutions, comprised of North American Fitness and UK Fitness (“Fitness Solutions”), to Jonas Software (see Note 4. Fitness Solutions Disposition in this Quarterly Report on Form 10-Q). The sale of North American Fitness closed simultaneously with signing and the sale of UK Fitness closed July 1, 2024. The divestiture did not qualify for reporting as a discontinued operation and therefore, its results were included in our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q through the applicable date of sale. During the three and six months ended June 30, 2024, the Company recognized losses of \$0.2 million and \$5.0 million, respectively, related to the sale of Fitness Solutions, which are included in loss on held for sale and impairments on our unaudited condensed consolidated statements of operations and comprehensive loss. Additionally, the Company recognized a \$6.4 million goodwill impairment charge during the six months ended June 30, 2024 representing the allocated goodwill to Fitness Solutions, which is included in loss on held for sale and impairments on our unaudited condensed consolidated statements of operations and comprehensive loss included in this Quarterly Report on Form 10-Q. During the three and six months ended June 30, 2024, we measured the assets and liabilities held for sale at fair value less cost to sell and recognized losses of \$0.3 million and \$2.9 million, respectively, which are included in loss on held for sale and impairments on our unaudited condensed consolidated statements of operations and comprehensive loss.

Key Factors Affecting Our Performance

We believe that our performance and future success depends on a number of factors that present significant opportunities for us but also pose risks and challenges. For discussion of these factors, please see Part II, Item 7. “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Factors Affecting Our Performance*” included in our Annual Report on Form 10-K. For a discussion about why we consider our Non-GAAP measures useful and a discussion of the material risks and limitations of such measures, please see Part II, Item 7. “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Business and Financial Metrics – Non-GAAP Financial Measures*” included in our Annual Report on Form 10-K.

Key Business and Financial Metrics

In addition to our results and measures of performance determined in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), we believe the following key business and non-GAAP financial measures are useful in evaluating and comparing our financial and operational performance over multiple periods, identifying trends affecting our business, formulating business plans and making strategic decisions. Unless otherwise noted, all amounts, percentages and discussions below reflect only the results of operations and financial condition of our continuing operations (see Note 3. Discontinued Operations in this Quarterly Report on Form 10-Q).

Pro Forma Revenue Growth Rate

Pro Forma Revenue Growth Rate is a key performance measure that our management uses to assess our consolidated operating performance over time. Management also uses this metric for planning and forecasting purposes.

Our year-over-year Pro Forma Revenue Growth Rate is calculated as though all acquisitions and divestitures completed as of the end of the latest period were completed as of the first day of the prior year period presented. In calculating Pro Forma Revenue Growth Rate, we add the revenue from acquisitions for the reporting periods prior to the date of acquisition (including estimated purchase accounting adjustments) and exclude revenue from divestitures for the reporting periods prior to the date of divestiture, and then calculate our revenue growth rate between the two reported periods. As a result, Pro Forma Revenue Growth Rate includes pro forma revenue from businesses acquired and excludes revenue from businesses divested of during the period, including revenue generated during periods when we did not yet own the acquired businesses and excludes revenue prior to the divestiture of the business. In including such pre-acquisition revenue and excluding pre-divestiture revenue, Pro Forma Revenue Growth Rate allows us to measure the underlying revenue growth of our business as it stands as of the end of the respective period, which we believe provides insight into our then-current operations. Pro Forma Revenue Growth Rate does not represent organic revenue generated by our business as it stood at the beginning of the respective period. Pro Forma Revenue Growth Rates are not necessarily indicative of either future results of operations or actual results that might have been achieved had the acquisitions and divestitures been consummated on the first day

of the prior year period presented. We believe that this metric is useful to investors in analyzing our financial and operational performance period over period and evaluating the growth of our business, normalizing for the impact of acquisitions and divestitures. This metric is particularly useful to management due to the number of acquired entities.

Our Revenue Growth Rate was 5.3% and 4.3% for the three and six months ended June 30, 2025, respectively. Total revenues include pre-divestiture revenue from Fitness Solutions, which was divested in 2024 (see Note 4. Fitness Solutions Disposition in this Quarterly Report on Form 10-Q), of \$2.7 million and \$8.1 million, during the three and six months ended June 30, 2024, respectively. Our Pro Forma Revenue Growth rate was 7.4% for both the three and six months ended June 30, 2025, reflective of the underlying growth in our business as a result of new customers and providing more solutions to existing customers.

Non-GAAP Financial Measures

Adjusted Gross Profit

Gross profit is calculated as total revenue less cost of revenue (exclusive of depreciation and amortization), amortization of developed technology, amortization of capitalized software and depreciation expense (allocated to cost of revenues). We calculate Adjusted Gross Profit as gross profit adjusted to exclude non-cash charges of depreciation and amortization allocated to cost of revenues. Adjusted Gross Profit should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income or loss, net earnings or loss and other U.S. GAAP measures of income (loss) or profitability.

The following table presents a reconciliation of gross profit, the most directly comparable financial measure calculated in accordance with U.S. GAAP, to Adjusted Gross Profit.

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
	<i>(in thousands)</i>					
Revenue	\$ 148,015	\$ 140,523	\$ 7,492	\$ 290,288	\$ 278,375	\$ 11,913
Cost of revenues (exclusive of depreciation and amortization)	33,395	31,561	1,834	64,583	63,062	1,521
Amortization of developed technology	1,967	2,709	(742)	4,089	5,568	(1,479)
Amortization of capitalized software	2,463	2,294	169	4,859	4,695	164
Depreciation expense allocated to cost of revenues	123	155	(32)	257	362	(105)
Gross profit from continuing operations	110,067	103,804	6,263	216,500	204,688	11,812
Depreciation and amortization	4,553	5,158	(605)	9,205	10,625	(1,420)
Adjusted gross profit from continuing operations	\$ 114,620	\$ 108,962	\$ 5,658	\$ 225,705	\$ 215,313	\$ 10,392

Adjusted EBITDA

Adjusted EBITDA is calculated as net income (loss) adjusted to exclude interest and other expense, net, income tax expense (benefit), depreciation and amortization, other amortization, stock-based compensation, and transaction-related and other non-recurring or unusual costs. Other amortization includes amortization for capitalized contract acquisition costs. Transaction-related costs are specific deal-related costs such as legal fees, financial and tax due diligence, consulting and escrow fees. Other non-recurring or unusual costs are expenses such as impairment charges, (gains) losses from divestitures, system implementation costs, executive separation costs, severance expense related to planned restructuring activities, and costs associated with integration and transformation improvements. Transaction-related and other non-recurring or unusual costs are excluded as they are not representative of our underlying operating performance. Adjusted EBITDA should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income or loss, net earnings or loss and other U.S. GAAP measures of income (loss).

The following table presents a reconciliation of net loss from continuing operations, the most directly comparable financial measure calculated in accordance with U.S. GAAP, to Adjusted EBITDA from continuing operations.

	Three months ended		Change	Six months ended		Change
	June 30,			June 30,		
	2025	2024	\$	2025	2024	\$
<i>(in thousands)</i>						
Net income (loss) from continuing operations	\$ 5,761	\$ (2,552)	\$ 8,313	\$ 6,695	\$ (18,562)	\$ 25,257
Adjusted to exclude the following:						
Interest and other expense, net	8,798	9,552	(754)	21,557	15,343	6,214
Income tax expense	1,243	703	540	1,755	6,626	(4,871)
Depreciation and amortization	16,589	19,901	(3,312)	33,357	40,805	(7,448)
Other amortization	1,541	1,321	220	3,023	2,632	391
Stock-based compensation expense	8,072	6,247	1,825	14,827	11,657	3,170
Transaction-related and other non-recurring or unusual costs	2,953	4,261	(1,308)	8,688	19,582	(10,894)
Adjusted EBITDA from continuing operations	<u>\$ 44,957</u>	<u>\$ 39,433</u>	<u>\$ 5,524</u>	<u>\$ 89,902</u>	<u>\$ 78,083</u>	<u>\$ 11,819</u>

Description of Certain Components of Financial Data

Each of the components of our financial results described below relate to continuing operations other than loss from discontinued operations, net of income tax. For additional information concerning our accounting policies, see Note 2. Summary of Significant Accounting Policies in the notes to the consolidated financial statements included in our Annual Report on Form 10-K.

Revenues

We derive our revenue from two primary sources which are described in detail below: (i) Subscription and Transaction Fees, which are primarily recurring revenue streams, and (ii) Other revenue, which consists primarily of the sale of distinct professional services and hardware. Our revenue recognition policies are discussed in more detail below under “Critical Accounting Policies and Significant Judgments and Estimates.”

Subscription and Transaction Fees: Revenue includes (i) recurring monthly, quarterly and annual SaaS subscriptions and software license and maintenance fees from the sale of our Business Management, Customer Experience and Billing & Payment solutions; (ii) payment processing fees based on the transaction volumes processed through our integrated payment solutions and processing fees based on transaction volumes for our revenue cycle management, chronic care management and health insurance clearinghouse solutions; and (iii) membership subscriptions and our share of rebates from suppliers generated through group purchasing programs. Our revenue from payment processing fees is recorded net of credit card and ACH processing and interchange charges in the month the services are performed.

Other: Revenue includes (i) consulting, implementation, training and other professional services; (ii) revenue from various business development partnerships; (iii) event income; and (iv) hardware sales related to our business management or payment software solutions.

Cost of Revenues

Cost of revenue (exclusive of depreciation and amortization) consists of expenses related to delivering our services and products and providing support to our customers and includes employee costs and related overhead, customer credit card processing fees, targeted mail costs, third-party fulfillment costs and software hosting expenses.

We expect that cost of revenue as a percentage of revenue will fluctuate from period to period based on a variety of factors, including the rate of growth of subscription and transaction fees, labor costs, third-party expenses and acquisitions and dispositions. For the three and six months ended June 30, 2025, revenue from subscription and transaction fees increased 5.3% and 4.3%, respectively, compared to the prior year periods.

Sales and Marketing

Sales and marketing expense consists primarily of employee costs for our sales and marketing personnel, including salaries, benefits, bonuses, stock-based compensation and sales commissions. Sales and marketing expenses also include advertising costs, travel-related

expenses and costs to market and promote our products, direct customer acquisition costs, costs related to conferences and events and partner/broker commissions. Software and subscription services dedicated for use by our sales and marketing organization, and outside services contracted for sales and marketing purposes are also included in sales and marketing expense. Sales commissions that are incremental to obtaining a customer contract are deferred and amortized ratably over the estimated period of our relationship with that customer. We expect our sales and marketing expenses will increase in absolute dollars and may increase as a percentage of revenue for the foreseeable future as we continue to increase investments to support our growth.

Product Development

Product development expense consists primarily of employee costs for our product development personnel, including salaries, benefits, stock-based compensation and bonuses. Product development expenses also include third-party outsourced technology costs incurred in developing our platforms, and computer equipment, software and subscription services dedicated for use by our product development organization. We expect our product development expenses to increase in absolute dollars and increase as a percentage of revenue during 2025 as we continue to dedicate substantial resources to develop, improve and expand the functionality of our solutions.

General and Administrative

General and administrative expense consists of employee costs for our executive leadership, accounting, finance, legal, human resources and other administrative personnel, including salaries, benefits, bonuses and stock-based compensation. General and administrative expenses also include external legal, accounting and other professional services fees, rent, software and subscription services dedicated for use by our general and administrative employees and other general corporate expenses. We expect general and administrative expense to increase on an absolute dollar basis for the foreseeable future due to increased costs as a result of being a public company. As we are able to further scale our operations in the future, we would expect that general and administrative expenses would decrease as a percentage of revenue.

Depreciation and Amortization

Depreciation and amortization primarily relate to intangible assets, property and equipment and capitalized software.

Loss on Held for Sale and Impairments

Loss on held for sale represents the measurement of a disposal group at the lower of its carrying value or fair value less cost to sell in the period the held for sale criteria are met, and subsequent remeasurement each reporting period the disposal group remains classified as held for sale. Impairments include a goodwill impairment charge representing the allocated goodwill and a loss on disposition from the sale of North American Fitness, representing the difference between the consideration received and the net carrying amount of the assets sold and transaction costs during the three months ended March 31, 2024 (see Note 4. Fitness Solutions Disposition in this Quarterly Report on Form 10-Q). Impairments also include operating lease impairments related to the Company's decision to cease use of certain leased premises and sublease certain facilities.

Interest and Other Expense, net

Interest and other expense, net, primarily consists of interest expense on long-term debt, net of interest income. It also includes amortization expense of financing costs and discounts, as well as realized and unrealized gains and losses related to interest rate swap agreements.

Income Tax Expense

U.S. GAAP requires deferred tax assets and liabilities to be recognized for temporary differences between the tax basis and financial reporting basis of assets and liabilities, computed at the expected tax rates for the periods in which the assets or liabilities will be realized, as well as for the expected tax expense of net operating loss and tax credit carryforwards. Income taxes are recognized for the amount of taxes payable by the Company's corporate subsidiaries for the current year and for the impact of deferred tax assets and liabilities, which represent future tax consequences of events that have been recognized differently in the financial statements than for tax purposes.

Income (Loss) from Discontinued Operations, Net of Income Tax

Income (loss) from discontinued operations, net of income tax consists of the operating results of marketing technology solutions, including the measurement of the disposal group at the lower of carrying value or estimated fair value less cost to sell. For more information regarding the disposal group, see Note 3. Discontinued Operations in this Quarterly Report on Form 10-Q.

Results of Operations

The following tables summarize key components of our results of operations for the periods presented. The period-to-period comparisons of our historical results are not necessarily indicative of our results of operations that may be expected in the future. The following comparative information for results of operations for all periods presented have been adjusted to reflect discontinued operations related to Marketing Technology Solutions and includes the operating results of Fitness Solutions for all periods through the applicable date of sale.

Comparison of the three and six months ended June 30, 2025 and 2024

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
<i>(in thousands)</i>						
Revenues:						
Subscription and transaction fees	\$ 142,841	\$ 135,684	\$ 7,157	\$ 280,620	\$ 269,066	\$ 11,554
Other	5,174	4,839	335	9,668	9,309	359
Total revenues	148,015	140,523	7,492	290,288	278,375	11,913
Operating expenses:						
Cost of revenues ⁽¹⁾ (exclusive of depreciation and amortization presented separately below)	33,395	31,561	1,834	64,583	63,062	1,521
Sales and marketing ⁽¹⁾	30,611	28,959	1,652	59,394	56,523	2,871
Product development ⁽¹⁾	19,497	19,228	269	39,460	38,534	926
General and administrative ⁽¹⁾	32,121	32,712	(591)	63,402	64,353	(951)
Depreciation and amortization	16,589	19,901	(3,312)	33,357	40,805	(7,448)
Loss on held for sale and impairments	—	459	(459)	85	11,691	(11,606)
Total operating expenses	132,213	132,820	(607)	260,281	274,968	(14,687)
Operating income	15,802	7,703	8,099	30,007	3,407	26,600
Interest and other expense, net	(8,798)	(9,552)	754	(21,557)	(15,343)	(6,214)
Net income (loss) from continuing operations before income tax expense	7,004	(1,849)	8,853	8,450	(11,936)	20,386
Income tax expense	(1,243)	(703)	(540)	(1,755)	(6,626)	4,871
Net income (loss) from continuing operations	\$ 5,761	\$ (2,552)	\$ 8,313	\$ 6,695	\$ (18,562)	\$ 25,257
Income (loss) from discontinued operations, net of income tax	2,392	(824)	3,216	(6,255)	(1,138)	(5,117)
Net income (loss)	\$ 8,153	\$ (3,376)	\$ 11,529	\$ 440	\$ (19,700)	\$ 20,140

(1) Includes stock-based compensation expense as follows:

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
<i>(in thousands)</i>						
Cost of revenues	\$ 120	\$ 102	\$ 18	\$ 217	\$ 197	\$ 20
Sales and marketing	393	364	29	713	699	14
Product development	653	543	110	1,113	1,045	68
General and administrative	6,906	5,238	1,668	12,784	9,716	3,068
Total stock-based compensation expense	\$ 8,072	\$ 6,247	\$ 1,825	\$ 14,827	\$ 11,657	\$ 3,170

Comparison of the three and six months ended June 30, 2025 and 2024 (percentage of revenue)

The following table provides the key components of operating costs within our results of operations as a percentage of revenue for the three and six months ended June 30, 2025 compared to the same period in 2024.

	Three months ended June 30,		Change %	Six months ended June 30,		Change %
	2025	2024		2025	2024	
Total Revenues	100.0%	100.0%		100%	100%	
Operating expenses:						
Cost of revenues (exclusive of depreciation and amortization presented separately below)	22.6 %	22.5 %	0.1 %	22.2 %	22.7 %	(0.5)%
Sales and marketing	20.7 %	20.6 %	0.1 %	20.5 %	20.3 %	0.2 %
Product development	13.2 %	13.7 %	(0.5)%	13.6 %	13.8 %	(0.2)%
General and administrative	21.7 %	23.3 %	(1.6)%	21.8 %	23.1 %	(1.3)%
Depreciation and amortization	11.2 %	14.2 %	(3.0)%	11.5 %	14.7 %	(3.2)%
Loss on held for sale and impairments	— %	0.3 %	(0.3)%	— %	4.2 %	(4.2)%
Total operating expenses	89.3 %	94.5 %	(5.2)%	89.7 %	98.8 %	(9.1)%

While revenue growth remains a key focus, we remain committed to continued expansion of gross margin, net income and Adjusted EBITDA through ongoing transformation initiatives. As a percentage of revenue, cost of revenues declined from 22.7% for the six months ended June 30, 2024, to 22.2% for the six months ended June 30, 2025, an improvement of approximately 60 basis points resulting in higher gross margin. As a percentage of revenue, the combination of cost of revenue, sales and marketing, product development and general and administrative costs declined from 79.9% for the six months ended June 30, 2024 as compared to 78.0% for the six months ended June 30, 2025, an improvement of 190 basis points. A discussion on primary drivers of cost reductions resulting in improved margin follows in the subsequent sections.

Revenues

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
<i>(in thousands)</i>						
Revenues:						
Subscription and transaction fees	\$ 142,841	\$ 135,684	\$ 7,157	\$ 280,620	\$ 269,066	\$ 11,554
Other	5,174	4,839	335	9,668	9,309	359
Total revenues	\$ 148,015	\$ 140,523	\$ 7,492	\$ 290,288	\$ 278,375	\$ 11,913

Revenues increased \$7.5 million, or 5.3%, and \$11.9 million, or 4.3%, for the three and six months ended June 30, 2025, respectively, as compared to the same periods in 2024. Revenue from subscription and transaction fees increased 5.3% and 4.3% and other revenue increased 6.9% and 3.9% during the three and six months ended June 30, 2025, respectively, as compared to the prior year periods. The majority of our revenue growth is attributable to the successful delivery of system of action capabilities to our SMBs in our verticals of home services, health and wellness. The subscription and transaction fees revenue increase consists primarily of increases from (a) business management software and (b) billing and payment solutions. Business management software revenues drove a \$5.8 million and \$9.8 million increase in subscription and transaction fees revenue for the three and six months ended June 30, 2025, respectively, due to an expansion in take rate and number of customers, and certain price increases across our portfolio. Billing and payment solutions revenues drove an increase of \$1.3 million and \$1.7 million during the three and six months ended June 30, 2025, respectively. The increase in the three-month period was primarily due to higher transaction volumes processed through our payment platforms, partially offset by lower revenue due to the Fitness Solutions divestiture. Subscription and transaction fees revenue also includes pre-divestiture revenue from Fitness Solutions of \$2.7 million and \$8.0 million for the three and six months ended June 30, 2024, respectively, (see Note 4. Fitness Solutions Disposition in this Quarterly Report on Form 10-Q). Other revenues increased \$0.3 million and \$0.4 million during the three and six months ended June 30, 2025, respectively, as compared to the same periods in 2024, primarily driven by higher revenues related to project implementation and customer development services.

Cost of Revenues

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
<i>(dollars in thousands)</i>						
Cost of revenues (exclusive of depreciation and amortization presented separately below)	\$ 33,395	\$ 31,561	\$ 1,834	\$ 64,583	\$ 63,062	\$ 1,521

Cost of revenues increased by \$1.8 million, or 5.8%, and \$1.5 million, or 2.4%, for the three and six months ended June 30, 2025, respectively, as compared to the same periods in 2024. The increase for the three-month period was primarily comprised of an additional \$0.9 million in communication services expenses, a \$0.5 million increase in software hosting expenses, a \$0.4 million increase in personnel and compensation expense, \$0.3 million increase in application programming interface fees, \$0.3 million increase in software and tools, and a \$0.2 million increase in outsourced services, partially offset by a \$0.7 million decrease in clearinghouse fees. The increase for the six-month period was driven primarily by an additional \$1.1 million in communication services expenses, a \$0.6 million increase in outsourced services, a \$0.5 million increase in software hosting expenses, \$0.5 million increase in application programming interface fees, and a \$0.4 million increase in software and tools, partially offset by a \$1.7 million decrease in clearinghouse fees.

Sales and Marketing

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
<i>(dollars in thousands)</i>						
Sales and marketing	\$ 30,611	\$ 28,959	\$ 1,652	\$ 59,394	\$ 56,523	\$ 2,871

Sales and marketing expenses increased by \$1.7 million, or 5.7%, and \$2.9 million, or 5.1%, for the three and six months ended June 30, 2025, respectively, as compared to the same periods in 2024. The increase for the three-month period was driven primarily by an additional \$1.6 million in personnel and compensation expenses, \$0.6 million in consulting and outsourced services, and \$0.3 million in advertising expense, partially offset by a \$0.5 million decrease in volume from third-party channels, and a \$0.3 million decrease in software and tools. The increase for the six-month period was driven primarily by an additional \$1.9 million in personnel and compensation expenses, \$0.8 million in advertising expense, and \$0.7 million in consulting and outsourced services, partially offset by a \$0.5 million decrease in volume from third-party channels, and a \$0.3 million decrease in software and tools.

Product Development

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
<i>(dollars in thousands)</i>						
Product development	\$ 19,497	\$ 19,228	\$ 269	\$ 39,460	\$ 38,534	\$ 926

Product development expenses increased by \$0.3 million, or 1.4%, and \$0.9 million, or 2.4%, for the three and six months ended June 30, 2025, respectively, as compared to the same periods in 2024. Product development expenses were relatively consistent in the three-month period as compared to the prior year period and declined as a percentage of revenue by 50 basis points. The increase in the six-month period was driven primarily by an additional \$2.5 million in outsourced services and \$0.3 million in software and tools, partially offset by a \$1.8 million reduction in personnel and compensation expenses.

General and Administrative

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2024	2023		2025	2024	
<i>(dollars in thousands)</i>						
General and administrative	\$ 32,121	\$ 32,712	\$ (591)	\$ 63,402	\$ 64,353	\$ (951)

General and administrative expenses decreased by \$0.6 million, or 1.8%, and \$1.0 million, or 1.5%, for the three and six months ended June 30, 2025, respectively, as compared to the same periods in 2024. General and administrative expenses were relatively consistent in the three-month period as compared to the prior year period and declined as a percentage of revenue by 160 basis points. The

decrease for the six-month period was driven primarily by an additional \$3.8 million in capitalized services due to system enhancement projects, a \$3.0 million decrease in personnel and compensation expense, and a \$0.8 million decrease in facility expense. These decreases were partially offset by an additional \$3.1 million in stock-based compensation expense, \$1.4 million in outsourced services, \$1.4 million in professional fees, \$0.5 million in software and tools, and \$0.2 million in bad debt expense.

Depreciation and Amortization

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
	<i>(dollars in thousands)</i>					
Depreciation and amortization	\$ 16,589	\$ 19,901	\$ (3,312)	\$ 33,357	\$ 40,805	\$ (7,448)

Depreciation and amortization expenses decreased by \$3.3 million, or 16.6%, and \$7.4 million, or 18.3%, for the three and six months ended June 30, 2025, respectively, as compared to the same periods in 2024. The decrease for the three and six-month periods were driven by \$3.3 million and \$7.1 million in lower intangible assets' amortization, respectively, due to the reduced rate of replacement assets resulting from a reduction in the number of business acquisitions compared to prior periods.

Loss on Held for Sale and Impairments

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
	<i>(dollars in thousands)</i>					
Loss on held for sale and impairments	\$ —	\$ 459	\$ (459)	\$ 85	\$ 11,691	\$ (11,606)

During the six months ended June 30, 2025, we recorded a \$0.1 million working capital adjustment related to the disposal of Fitness Solutions. In March 2024, we entered into definitive sale and purchase agreements to sell our Fitness Solutions (see Note 4. Fitness Solutions Disposition in this Quarterly Report on Form 10-Q). The North American Fitness transaction resulted in a loss on disposal of \$0.2 million and \$5.0 million during the three and six months ended June 30, 2024, respectively, and a goodwill impairment charge of \$3.4 million representing allocated goodwill during the three months ended March 31, 2024. Additionally, we recognized a loss on held for sale of \$0.3 million and \$2.9 million during the three and six months ended June 30, 2024, respectively, which represents the measurement of the UK Fitness disposal group at fair value less costs to sell. The six months ended June 30, 2024 included right-of-use lease asset impairments charges of \$0.4 million.

Interest and Other Expense, net

	Three months ended June 30,		Change \$	Six months ended June 30,		Change \$
	2025	2024		2025	2024	
	<i>(dollars in thousands)</i>					
Interest and other expense, net	\$ 8,798	\$ 9,552	\$ (754)	\$ 21,557	\$ 15,343	\$ 6,214

Interest and other expense, net, decreased by \$0.8 million, or 7.9%, and increased \$6.2 million, or 40.5%, for the three and six months ended June 30, 2025, respectively, as compared to the same periods in 2024, with the changes primarily driven by volatility of interest rates and foreign currency. The decrease for the three-month period was driven primarily by a \$1.8 million unrealized foreign currency gain, a \$3.6 million decrease in interest expense, and a \$0.4 million increase in interest income. The decreases were partially offset by an unrealized loss of \$2.1 million on interest rate swaps recorded during the three months ended June 30, 2025 as compared to an unrealized gain of \$1.0 million in the comparative period. The increase for the six-month period was driven primarily by an unrealized loss of \$6.0 million on interest rate swaps recorded during the six months ended June 30, 2025 as compared to an unrealized gain of \$5.8 million in the comparative period. The increase was partially offset by a \$3.6 million decrease in interest expense, a \$1.2 million unrealized foreign currency gain, and a \$0.8 million increase in interest income. The decline in interest expense in the three and six-month periods is a result of lower variable base interest rates on the Company's Credit Facilities (as defined below), the amendment to the Term Loan (as defined below) in the fourth quarter 2024 resulting in a reduction in margin and the removal of the credit spread adjustment, and the swap executed in the third quarter 2024 to covert \$125 million of the floating rate component of our Term Loan to a fixed rate (see Note 11. Long-Term Debt in this Quarterly report on Form 10-Q).

Cash Flows

The following table sets forth cash flow data, inclusive of continuing and discontinued operations, for the periods indicated therein:

	Six months ended June 30,	
	2025	2024
	<i>(in thousands)</i>	
Net cash provided by operating activities	\$ 57,659	\$ 37,216
Net cash used in investing activities	(13,745)	(8,526)
Net cash used in financing activities	(29,576)	(34,190)
Effect of foreign currency exchange rate changes on cash	940	(638)
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ 15,278</u>	<u>\$ (6,138)</u>

Cash Flow from Operating Activities

Net cash provided by operating activities was \$57.7 million for the six months ended June 30, 2025, compared to \$37.2 million for the six months ended June 30, 2024. Changes in net cash provided by operating activities resulted primarily from cash received from net sales within our subscription and transaction fees and marketing technology solutions. Other drivers of the changes in net cash provided by operating activities include payments for personnel expenses for our employees, costs related to delivering our services and products, partner commissions, advertising and interest on our long-term debt.

The increase in cash provided by operating activities for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 was primarily due to lower costs as a result of our transformation and optimization initiatives comprised of a reduction in general overhead expenses, including personnel expenses, to support our business of \$8.2 million, lower costs directly related to the delivery of our services and products of \$3.9 million, lower interest payments of \$3.5 million, higher cash collections from our subscription and transaction fees, which includes revenues from payment processing, of approximately \$3.4 million, lower taxes paid of \$0.6 million, and higher interest income of \$0.8 million.

Cash Flow from Investing Activities

During the six months ended June 30, 2025, net cash used in investing activities of \$13.7 million related primarily to costs to develop software of \$12.7 million and \$1.0 million for purchases of property and equipment.

During the six months ended June 30, 2024, net cash used in investing activities of \$8.5 million was related primarily to costs to develop software of \$8.7 million and \$1.0 million for purchases of property and equipment, partially offset by proceeds from the sale of North American Fitness, net of transaction costs, cash and restricted cash sold for approximately \$1.2 million.

Cash Flow from Financing Activities

During the six months ended June 30, 2025, net cash used in financing activities of \$29.6 million related primarily to the repurchase and retirement of shares of our common stock of \$31.6 million.

During the six months ended June 30, 2024, net cash used in financing activities of \$34.2 million was related primarily to the repurchase and retirement of shares of our common stock of \$36.0 million.

For additional information regarding our repurchase and retirement of shares of our common stock, refer to Note 12. Equity in the notes to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Credit Facilities

We are party to a credit agreement, as amended, that, as of June 30, 2025 provided for one term loan for an aggregate principal amount of \$533.5 million (the "Term Loan"), a revolver with a capacity of \$155.0 million (the "Revolver") and a sub-limit of the Revolver available for letters of credit up to an aggregate face amount of \$20.0 million. These debt arrangements are collectively referred to herein as the "Credit Facilities".

Simultaneously with the execution of the Credit Facilities, we and various of our subsidiaries entered into a collateral agreement and guarantee agreement. Pursuant to the guarantee agreement, EverCommerce Intermediate Inc. and various of our subsidiaries are guarantors of the obligations under the Credit Facilities. Pursuant to the collateral agreement, the Credit Facilities are secured by liens on substantially all of our assets, including our intellectual property and the equity interests of our various subsidiaries, including EverCommerce Solutions Inc.

The Credit Facilities contain certain affirmative and negative covenants, including, among other things, restrictions on indebtedness, issuance of preferred equity interests, liens, fundamental changes and asset sales, investments, negative pledges, repurchases of stock, dividends and other distributions, and transactions with affiliates. In addition, we are subject to a financial covenant with respect to the Revolver whereby, if the aggregate principal amount of revolving loans (excluding letters of credit) outstanding on the last day of any fiscal quarter exceeds 35% of the aggregate commitments available under the Revolver, then our first lien leverage ratio as of the last day of such fiscal quarter must be 7.50 to 1.00 or less.

With respect to ABR borrowings, interest payments are due on a quarterly basis on the last business day of each March, June, September and December. With respect to Eurocurrency borrowings, interest payments are due on the last business day of the interest period applicable to the borrowing and, in the case of a Eurocurrency borrowing with an interest period of more than three months' duration, each day prior to the last day of such interest period that occurs at intervals of three months' duration after the first day of such interest period.

Effective as of July 1, 2023, borrowings under the Credit Facilities bear interest at our option at ABR plus an applicable rate, or at a forward-looking term rate based upon the secured overnight financing rate ("SOFR"), plus (i) (a) with respect to the Term Loan, credit spread adjustments of 0.11448%, 0.26161%, 0.42826% and 0.71513% for interest periods of one, three, six and twelve months, respectively, and (b) with respect to revolving loans, a credit spread adjustment of 0.0% ("Adjusted SOFR") plus (ii) an applicable rate, in each case with such applicable rate based on our first lien net leverage ratio. The ABR represents the highest of the prime rate, Federal Reserve Bank of New York rate plus ½ of 1%, and the Adjusted SOFR for a one month interest period plus 1%. The applicable rate for the Term Loan and the Revolver is 3.0% for Adjusted SOFR borrowings and 2.0% for ABR borrowings, in each case subject to change based on our first lien net leverage ratio.

On December 13, 2024, the Company entered into an amendment (the "Amendment") to the Credit Facilities to reduce the applicable margin and remove the credit spread adjustment from the existing Term Loan in their entirety in an aggregate principal amount of \$533.5 million. Following the Amendment, the Term Loan bears interest, at the borrower's election, at (x) a forward-looking term rate based upon SOFR plus an applicable margin of 2.50%, with a minimum forward-looking SOFR rate 0.50% or (y) ABR plus an applicable margin of 1.50%, with a minimum ABR of 1.50%, in each case, with no step-downs. The credit spread adjustment was removed in connection with the Amendment. The refinanced Term Loan priced at par and refinanced all of the existing term loans outstanding under the Credit Agreement immediately prior to giving effect to the Amendment.

Effective as of June 10, 2025, the Company entered into an additional amendment to the Credit Facilities to reduce the commitments outstanding under the Revolver, extend the maturity of a portion of such commitments and reduce the applicable margin with respect to extended revolving loans. As a result of the amendment, commitments under the Revolver were reduced from \$190.0 million to \$155.0 million. With respect to \$125.0 million of such commitments, (i) the maturity date was extended to January 6, 2028 and (ii) the applicable margin for (x) Term SOFR loans was reduced to 2.50% and (y) Alternate Base Rate loans was reduced to 1.50%, in each case, subject to a single 0.25% step-down based on the Company's first lien net leverage ratio. With respect to the remaining \$30.0 million of such commitments, (i) the maturity date remains July 6, 2026 and (ii) the applicable margin was unchanged.

On July 29, 2025, the Company entered into an amendment to the Credit Facilities (the "2025 Amendment") to, among other things, refinance the existing Term Loan in an aggregate principal amount of \$529.4 million. The 2025 Amendment, among other things, (i) extends the maturity date of the Term Loan to July 6, 2031, and (ii) reduces the applicable margin by 25 basis points with respect to all term loans. The Term Loan bears interest, at the Borrower's election, at (x) Term SOFR (as defined in the Credit Agreement) plus an applicable margin of 2.25%, with a minimum Term SOFR rate of 0.50% or (y) Alternate Base Rate (as defined in the Credit Agreement) plus an applicable margin of 1.25%, with a minimum Alternate Base Rate of 1.50%, in each case, with no step-downs. The refinanced Term Loan priced at par and refinanced the existing term loan outstanding under the Credit Agreement immediately prior to giving effect to the 2025 Amendment.

Pursuant to the 2025 Amendment, with respect to \$125.0 million of commitments under the existing \$155.0 million Revolver, (i) the maturity date was extended to July 29, 2030 and (ii) the applicable margin for (x) Term SOFR loans was reduced to 2.00% and (y) Alternate Base Rate loans was reduced to 1.00%, in each case, subject to one 25 basis points step-up based on the Company's first lien net leverage ratio. Other than the changes noted above, the terms and conditions of all commitments at closing as well as those extending beyond the original maturity date remain the same as the existing Revolver. Accordingly, \$155.0 million of availability remains under the Revolver until July 6, 2026 and then reduces to \$125.0 million through July 29, 2030.

We have entered into the following interest rate swap agreements in connection with our Credit Facilities to convert a portion of the floating rate component of the Term Loan from a floating rate to fixed rate:

Effective Date	Expiration Date	Fixed Interest Rate	Notional Amount	Asset (Liability) Fair Value at June 30, 2025
			<i>(in thousands)</i>	<i>(in thousands)</i>
October 31, 2022	October 31, 2027	4.212 %	\$ 200,000	\$ (3,511)
March 31, 2023	October 31, 2027	3.951 %	100,000	(1,165)
September 20, 2024	October 31, 2027	3.395 %	125,000	165

The Revolver has a variable commitment fee, which is based on our first lien leverage ratio. We expect the commitment fee to range from 0.25% to 0.375% per annum. We are obligated to pay a fixed fronting fee for letters of credit of 0.125% per annum.

Amounts borrowed under the Revolver may be repaid and re-borrowed through maturity of the Revolver in July 2026. The Term Loan matures in July 2028. The Term Loan may be repaid or prepaid but may not be re-borrowed.

As of June 30, 2025, there was \$529.4 million outstanding under our Credit Facilities, all of which was related to the Term Loan as no amounts were outstanding under the Revolver. The effective interest rate on the Term Loan was approximately 7.17% for the three months ended June 30, 2025, excluding the effect of any interest rate swap agreements.

As of June 30, 2025, we were in compliance with the covenants under the Credit Facilities.

Stock Repurchase Program

On June 14, 2022, our Board of Directors approved the stock repurchase program (as subsequently amended, the “Repurchase Program”) with authorization to purchase up to \$50.0 million in shares of the Company’s common stock through the expiration of the program on December 21, 2022. On November 7, 2022, November 5, 2023, May 21, 2024, and May 1, 2025 our Board increased the authorization of the Repurchase Program by an additional \$50.0 million in shares of the Company’s common stock on each date for a total authorization to repurchase up to \$250.0 million in shares of the Company’s common stock, and extended the expiration of the Repurchase Program most recently through December 31, 2026. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases to be determined at the Company’s discretion, depending on market conditions and corporate needs. The Repurchase Program does not obligate the Company to acquire any particular amount of common stock and may be modified, suspended or terminated at any time at the discretion of the Board. The Company expects to fund repurchases with existing cash on hand.

The Company repurchased and retired 2.0 million and 3.1 million shares of common stock for approximately \$20.6 million and \$31.8 million, including transaction fees and taxes, during the three and six months ended June 30, 2025, respectively. As of June 30, 2025, \$51.1 million remained available under the Repurchase Program.

Contractual Obligations

There have been no material changes to our contractual obligations as of June 30, 2025 from those disclosed in our Annual Report on Form 10-K.

Refer to Notes 10. Leases, 11. Long-Term Debt and 17. Commitments and Contingencies in the notes to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a discussion of our operating leases, debt and contractual obligations, respectively.

Critical Accounting Policies and Significant Judgments and Estimates

Our financial statements are prepared in accordance with U.S. GAAP. The preparation of our financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Our critical accounting policies are described in Part II, Item 7. “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies*” in our Annual Report on Form 10-K. During the six months ended June 30, 2025, there were no material changes to our critical accounting policies from those discussed in our Annual Report on Form 10-K.

Recent Accounting Pronouncements

See Note 2. Summary of Significant Accounting Policies in the notes to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a discussion of accounting pronouncements recently adopted and recently issued accounting pronouncements not yet adopted, and their potential impact to our financial statements.

Election Under the Jumpstart Our Business Startups Act of 2012

The Company currently qualifies as an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”). Accordingly, the Company is provided the option to adopt new or revised accounting guidance either (i) within the same periods as those otherwise applicable to non-emerging growth companies or (ii) within the same time periods as private companies.

The Company has elected to adopt new or revised accounting guidance within the same time period as private companies, unless management determines it is preferable to take advantage of early adoption provisions offered within the applicable guidance. Our utilization of these transition periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the transition periods afforded under the JOBS Act.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes to our disclosures regarding market risk as described in our Annual Report on Form 10-K under the heading Part II, Item 7A. “*Quantitative and Qualitative Disclosures about Market Risk.*”

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of June 30, 2025, our disclosure controls and procedures were not effective at the reasonable assurance level, due to the material weakness in our internal control over financial reporting as described in Part II, Item 9A. “*Controls and Procedures*” in our Annual Report on Form 10-K for the year ended December 31, 2024.

Changes in Internal Control over Financial Reporting

We continue to work to remediate our material weakness in our internal control over financial reporting as described in Part II, Item 9A. “*Controls and Procedures*” in our Annual Report on Form 10-K for the year ended December 31, 2024. There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During the three months ended June 30, 2025, no other director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of EverCommerce Inc	8-K	001-40575	3.1	7/9/2021	
3.2	Amended and Restated Bylaws of EverCommerce Inc	8-K	001-40575	3.2	7/9/2021	
10.1	Amendment No. 4, dated as of June 10, 2025, to the Credit Agreement dated as of July 6, 2021, among EverCommerce Intermediate Inc., EverCommerce Solutions Inc., Royal Bank of Canada, as administrative agent and collateral agent, and the other parties and lenders party thereto.	8-K	001-40575	10.1	6/10/2025	
10.2	Amended and Restated Non-Employee Director Compensation Policy					*
10.3	Amendment No. 5, dated as of July 29, 2025 to the Credit Agreement, dated as of July 6, 2021, among EverCommerce Intermediate Inc., EverCommerce Solutions Inc., Royal Bank of Canada, as administrative agent and collateral agent, and the other parties and lenders party thereto.	8-K	001-40575	10.1	7/30/2025	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)					*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)					*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350					**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350					**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its 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 (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.

** Furnished herewith.

EverCommerce Inc.
Amended and Restated Non-Employee Director Compensation Policy

Non-employee members of the board of directors (the “**Board**”) of EverCommerce Inc. (the “**Company**”) shall be eligible to receive cash and equity compensation as set forth in this Non-Employee Director Compensation Policy (as amended from time to time, this “**Policy**”). The cash and equity compensation described in this Policy shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company or an affiliate of Providence Strategic Growth Partners L.L.C. or Silver Lake Technology Management L.L.C. (each, a “**Non-Employee Director**”) who may be eligible to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Policy became effective on June 30, 2021 and is hereby amended and restated effective as of May 17, 2025 and shall remain in effect until it is revised or rescinded by further action of the Board. This Policy may be amended, modified or terminated by the Board at any time in its sole discretion. The terms and conditions of this Policy shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors and between any subsidiary of the Company and any of its non-employee directors.

1. Cash Compensation.

(a) Annual Retainers. Each Non-Employee Director shall receive an annual retainer of \$55,000 for service on the Board.

(b) Additional Annual Retainers. In addition, a Non-Employee Director shall receive the following annual retainers:

(i) Lead Independent Director of the Board. A Non-Employee Director serving as Lead Independent Director of the Board shall receive an additional annual retainer of \$15,000 for such service.

(ii) Audit Committee. A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of \$25,000 for such service. A Non-Employee Director serving as a member of the Audit Committee (other than the Chairperson) shall receive an additional annual retainer of \$20,000 for such service.

(iii) Compensation Committee. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of \$20,000 for such service. A Non-Employee Director serving as a member of the Compensation Committee (other than the Chairperson) shall receive an additional annual retainer of \$15,000 for such service.

(iv) Nominating and Corporate Governance Committee. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of \$20,000 for such service. A Non-Employee Director serving as a member of the Nominating and Corporate Governance Committee (other than the Chairperson) shall receive an additional annual retainer of \$10,000 for such service.

(c) Payment of Retainers. The annual retainers described in Sections 1(a) and 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section 1(b), for an entire calendar quarter, such Non-Employee Director shall receive a prorated portion of the retainer(s) otherwise payable to such Non-Employee Director for such calendar quarter pursuant to Sections 1(a) and 1(b), with such prorated portion determined by multiplying such otherwise payable retainer(s) by a fraction, the numerator of which is the number of days during which the Non-Employee Director serves as a Non-Employee Director or in the applicable positions described in Section 1(b) during the applicable calendar quarter and the denominator of which is the number of days in the applicable calendar quarter.

2. Equity Compensation. Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2021 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (such plan, as may be amended from time to time, the "**Equity Plan**") and shall be granted subject to the execution and delivery of award agreements, including attached exhibits, in substantially the forms previously approved by the Board. All applicable terms of the Equity Plan apply to this Policy as if fully set forth herein, and all equity grants hereunder are subject in all respects to the terms of the Equity Plan.

(a) Annual Awards. Each Non-Employee Director who (i) serves on the Board as of the date of any annual meeting of the Company's stockholders (an "**Annual Meeting**") and (ii) will continue to serve as a Non-Employee Director immediately following such Annual Meeting shall be automatically granted, on the date of such Annual Meeting, an award of restricted stock units that have an aggregate fair value on the date of such Annual Meeting of \$200,000 (as determined in accordance with ASC 718 and with the number of shares of common stock underlying such award subject to adjustment as provided in the Equity Plan). The awards described in this Section 2(a) shall be referred to as the "**Annual Awards**."

(b) Initial Awards. Except as otherwise determined by the Board, each Non-Employee Director who is initially elected or appointed to the Board shall be automatically granted, on the date of such Non-Employee Director's initial election or appointment (such Non-Employee Director's "**Start Date**"), an award of restricted stock units that have an aggregate fair value on such Non-Employee Director's Start Date equal to \$300,000 (as determined in accordance with ASC 718 with the number of shares of common stock underlying each such award subject to adjustment as provided in the Equity Plan). The awards described in this Section 2(b) shall be referred to as "**Initial Awards**." For the avoidance of doubt, no Non-Employee Director shall be granted more than one Initial Award.

(c) Termination of Employment of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their employment with the Company and any parent or subsidiary of the Company and remain on the Board will not receive an Initial Award pursuant to Section 2(b) above, but to the extent that they are otherwise eligible, will be eligible to receive, after termination from employment with the Company and any parent or subsidiary of the Company, Annual Awards as described in Section 2(a) above.

(d) Vesting of Awards Granted to Non-Employee Directors. Each Annual Award shall vest and become exercisable on the earlier of (i) the day immediately preceding the date of the first Annual Meeting following the date of grant and (ii) the first anniversary of the date of grant, subject to the Non-Employee Director continuing in service on the Board through

the applicable vesting date. Each Initial Award shall vest and become exercisable on the first anniversary of the date of grant, subject to the Non-Employee Director continuing in service on the Board through the applicable vesting date. No portion of an Annual Award or Initial Award that is unvested or unexercisable at the time of a Non-Employee Director's termination of service on the Board shall become vested and exercisable thereafter. All of a Non-Employee Director's Annual Awards and Initial Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

* * * * *

CERTIFICATION

I, Eric Remer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EverCommerce Inc.;
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 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 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 6, 2025

By:

/s/ Eric Remer

Eric Remer

**Chief Executive Officer and Director
(Principal Executive Officer)**

CERTIFICATION

I, Ryan H. Siurek, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EverCommerce Inc.;
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 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 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 6, 2025

By:

/s/ Ryan H. Siurek

Ryan H. Siurek

**Chief Financial Officer
(Principal Financial Officer)**

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

In connection with the Quarterly Report on Form 10-Q of EverCommerce Inc. (the "Company") for the period ended June 30, 2025 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, to the best of my knowledge:

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

Date: August 6, 2025

By:

/s/ Eric Remer

Eric Remer

**Chief Executive Officer and Director
(Principal Executive Officer)**

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

In connection with the Quarterly Report on Form 10-Q of EverCommerce Inc. (the "Company") for the period ended June 30, 2025 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, to the best of my knowledge:

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

Date: August 6, 2025

By:

/s/ Ryan H. Siurek

Ryan H. Siurek
Chief Financial Officer
(Principal Financial Officer)