

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 September 30, 2024

OR

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

For the transition period from _____ to _____

Commission File Number: 001-40575

EverCommerce Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

81-4063248

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

3601 Walnut Street, Suite 400
Denver, Colorado

(Address of principal executive offices)

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

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

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

As of November 8, 2024, there were 183,483,988 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, progress towards remediation of our material weakness 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 subject to consolidation 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; 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; if we cannot 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 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; 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; failure to improve our margin, in particular within Marketing Technology Solutions; risks related to a future pandemic, epidemic, or outbreak of infectious disease; failure to achieve our objectives through acquisitions, divestitures or other strategic transactions; revenues and profits generated through acquisitions may be less than anticipated and we may fail to uncover all liabilities of acquisition targets; the increasing focus 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; 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, 2023 (“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)

	September 30,	December 31,
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 101,574	\$ 92,609
Restricted cash	—	3,570
Accounts receivable, net of allowance for expected credit losses of \$5.2 million and \$6.2 million at September 30, 2024 and December 31, 2023, respectively	49,883	45,417
Contract assets	18,181	16,117
Prepaid expenses and other current assets	27,546	22,434
Total current assets	197,184	180,147
Property and equipment, net	7,192	9,734
Capitalized software, net	42,182	42,511
Other non-current assets	38,213	42,722
Intangible assets, net	245,390	315,519
Goodwill	920,973	927,431
Total assets	1,451,134	1,518,064
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 7,718	\$ 8,638
Accrued expenses and other	56,810	66,265
Deferred revenue	26,271	24,082
Customer deposits	12,524	12,891
Current maturities of long-term debt	5,500	5,500
Total current liabilities	108,823	117,376
Long-term debt, net of current maturities and deferred financing costs	523,508	526,696
Other non-current liabilities	48,060	47,956
Total liabilities	680,391	692,028
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 September 30, 2024 and December 31, 2023	—	—
Common stock, \$0.00001 par value, 2,000,000,000 shares authorized and 183,821,161 and 186,934,031 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	2	2
Accumulated other comprehensive loss	(7,141)	(8,017)
Additional paid-in capital	1,426,713	1,454,026
Accumulated deficit	(648,831)	(619,975)
Total stockholders' equity	770,743	826,036
Total liabilities and stockholders' equity	\$ 1,451,134	\$ 1,518,064

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenues:				
Subscription and transaction fees	\$ 137,566	\$ 132,640	\$ 409,331	\$ 386,765
Marketing technology solutions	34,361	36,838	99,660	103,081
Other	4,333	5,263	14,775	16,083
Total revenues	176,260	174,741	523,766	505,929
Operating expenses:				
Cost of revenues (exclusive of depreciation and amortization presented separately below)	59,275	61,471	177,415	175,602
Sales and marketing	30,577	30,086	91,297	91,660
Product development	20,100	19,318	60,464	56,352
General and administrative	34,330	31,477	103,774	100,429
Depreciation and amortization	21,991	26,035	66,880	77,975
Loss on sale and impairments	70	61	11,750	1,124
Total operating expenses	166,343	168,448	511,580	503,142
Operating income	9,917	6,293	12,186	2,787
Interest and other expense, net	(18,331)	(6,666)	(33,674)	(26,615)
Net loss before income tax (expense) benefit	(8,414)	(373)	(21,488)	(23,828)
Income tax (expense) benefit	(742)	(241)	(7,368)	1,543
Net loss	(9,156)	(614)	(28,856)	(22,285)
Other comprehensive loss:				
Foreign currency translation gain (loss), net	3,469	(1,940)	876	(2,721)
Comprehensive loss	\$ (5,687)	\$ (2,554)	\$ (27,980)	\$ (25,006)
Basic and diluted net loss per share attributable to common stockholders	\$ (0.05)	\$ —	\$ (0.16)	\$ (0.12)
Basic and diluted weighted-average shares of common stock outstanding used in computing net loss per share	184,146,958	188,805,421	185,317,020	189,039,709

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, 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
Common stock issued upon vesting of restricted stock units, net of shares withheld for employee taxes	377	—	(2,123)	—	—	(2,123)
Stock-based compensation	—	—	8,154	—	—	8,154
Stock option exercises	216	—	949	—	—	949
Repurchase and retirement of common stock, including taxes	(1,353)	—	(14,642)	—	—	(14,642)
Foreign currency translation gain, net	—	—	—	—	2,472	2,472
Disposition of Fitness Solutions	—	—	—	—	997	997
Net loss	—	—	—	(9,156)	—	(9,156)
Balance at September 30, 2024	183,821	\$ 2	\$ 1,426,713	\$ (648,831)	\$ (7,141)	\$ 770,743

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, 2022	191,447	\$ 2	\$ 1,489,935	\$ (573,046)	\$ (10,198)	\$ 906,693
Common stock issued upon vesting of restricted stock units	348	—	—	—	—	—
Stock-based compensation	—	—	7,514	—	—	7,514
Stock option exercises	103	—	609	—	—	609
Repurchase and retirement of common stock	(3,124)	—	(29,643)	—	—	(29,643)
Adoption of ASC 326, <i>Current Expected Credit Losses</i>	—	—	—	(1,309)	—	(1,309)
Foreign currency translation loss, net	—	—	—	—	(99)	(99)
Net loss	—	—	—	(20,775)	—	(20,775)
Balance at March 31, 2023	188,774	\$ 2	\$ 1,468,415	\$ (595,130)	\$ (10,297)	\$ 862,990
Issuance of common stock for Employee Stock Purchase Plan	324	—	1,765	—	—	1,765
Common stock issued upon vesting of restricted stock units	404	—	—	—	—	—
Stock-based compensation	—	—	6,241	—	—	6,241
Stock option exercises	38	—	300	—	—	300
Repurchase and retirement of common stock, including taxes	(904)	—	(10,361)	—	—	(10,361)
Foreign currency translation loss, net	—	—	—	—	(682)	(682)
Net loss	—	—	—	(896)	—	(896)
Balance at June 30, 2023	188,636	\$ 2	\$ 1,466,360	\$ (596,026)	\$ (10,979)	\$ 859,357
Common stock issued upon vesting of restricted stock units	295	—	—	—	—	—
Stock-based compensation	—	—	5,855	—	—	5,855
Stock option exercises	156	—	1,073	—	—	1,073
Repurchase and retirement of common stock	(160)	—	(1,575)	—	—	(1,575)
Foreign currency translation loss, net	—	—	—	—	(1,940)	(1,940)
Net loss	—	—	—	(614)	—	(614)
Balance at September 30, 2023	188,927	\$ 2	\$ 1,471,713	\$ (596,640)	\$ (12,919)	\$ 862,156

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

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

	Nine months ended September 30,	
	2024	2023
Cash flows provided by operating activities:		
Net loss	\$ (28,856)	\$ (22,285)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	66,880	77,975
Stock-based compensation expense	20,184	19,610
Deferred taxes	5,579	(2,066)
Amortization of deferred financing costs and non-cash interest	1,230	1,240
Loss on sale and impairments	11,761	1,124
Bad debt expense	3,237	5,285
Loss (gain) on interest rate swap valuation adjustments	2,282	(6,636)
Other non-cash items	831	705
Changes in operating assets and liabilities:		
Accounts receivable, net	(8,196)	(9,145)
Prepaid expenses and other current assets	(5,327)	(1,331)
Other non-current assets	1,159	4,511
Accounts payable	(667)	(62)
Accrued expenses and other	(6,010)	1,436
Deferred revenue	2,700	1,514
Other non-current liabilities	(2,037)	(3,288)
Net cash provided by operating activities	64,750	68,587
Cash flows used in investing activities:		
Purchases of property and equipment	(1,208)	(2,140)
Capitalization of software costs	(13,071)	(14,727)
Proceeds from disposition of fitness solutions, net of transaction costs, cash and restricted cash	6,610	—
Acquisition, net of cash acquired	—	(14,959)
Net cash used in investing activities	(7,669)	(31,826)
Cash flows used in financing activities:		
Payments on long-term debt	(4,125)	(4,125)
Exercise of stock options	3,788	1,982
Proceeds from common stock issuance for Employee Stock Purchase Plan	1,755	1,765
Employee taxes paid for RSU withholdings	(2,123)	—
Repurchase and retirement of common stock	(50,636)	(41,268)
Net cash used in financing activities	(51,341)	(41,646)
Effect of foreign currency exchange rate changes on cash	(345)	(116)
Net increase (decrease) in cash, cash equivalents and restricted cash	5,395	(5,001)
Cash, cash equivalents and restricted cash		
Beginning of period	96,179	95,824
End of period	\$ 101,574	\$ 90,823
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 34,936	\$ 34,112
Cash paid for income taxes	\$ 3,862	\$ 2,939

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, 2023, the Company served more than 708,000 customers across three core verticals: Home Services; Health Services; and Wellness Services. Excluding the customers associated with the sale of our fitness assets, the Company served more than 690,000 customers (see Note 4. Fitness Solutions Disposition). 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, 2023 and the related notes (“Annual Report on Form 10-K”). The December 31, 2023 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 nine months ended September 30, 2024 from those disclosed in the annual consolidated financial statements for the year ended December 31, 2023 and the related notes. Certain prior year amounts have been reclassified to conform to the current year presentation.

On March 13, 2024, the Company entered into definitive sale and purchase agreements to sell our fitness solutions to Jonas Fitness Portfolio Holdco Inc. (“Jonas Software”) (see Note 4. Fitness Solutions Disposition). The sale of American Service Finance LLC., ASF Payment Solutions ULC and Technique Fitness Inc. (collectively, “North American Fitness”), closed simultaneous with signing. The sale of EverCommerce UK, including wholly-owned subsidiaries Fitii 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 on July 1, 2024. The divestiture did not qualify for reporting as a discontinued operation. 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.

The operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results expected for the full year ending December 31, 2024.

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 amounts reported in the unaudited condensed consolidated financial statements, including the accompanying notes. The Company bases its estimates on historical factors, current circumstances, and the experience and judgment of management. The Company evaluates its estimates and assumptions on an ongoing basis. Actual results could differ from those estimates. Significant items subject to such estimates reflected in the unaudited condensed consolidated financial statements include: 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.

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 issued and adopted

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326); Measurement of Credit Losses on Financial Instruments*, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost, which includes the Company’s accounts receivable and contract assets. This updated standard is effective for annual reporting periods beginning after December 15, 2022. The Company adopted this ASU for the year ended December 31, 2023 and it did not have a material impact on the financial statements.

Accounting pronouncements not yet adopted

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting - Improving Reportable Segment Disclosures (Topic 280)*. The update is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The ASU requires disclosures to include significant segment expenses that are regularly provided to the CODM, an amount and description of the composition of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. The ASU also requires all annual disclosures currently required by Topic 280 to be included in interim periods. All disclosure requirements under ASU 2023-07 are also required for public entities with a single reportable segment. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of adopting the amendments in this update on its consolidated financial statements and disclosures.

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.

Note 3. Kickserv Acquisition

On August 10, 2023, the Company acquired 100% of the interest of Norman’s Dojo Inc. (“Kickserv”), a provider of field service management software for home service businesses for approximately \$15.0 million in cash. The acquisition adds offerings for SMBs across diversified portfolios with an opportunity to capture a broader segment of new customers within the Home Services vertical.

We accounted for the acquisition as a business combination under ASC 805, *Business Combinations*. Accordingly, the Company recorded identifiable assets acquired and liabilities assumed at their acquisition date estimated fair values, with any excess consideration recognized as goodwill. Goodwill primarily represents the value associated with the assembled workforce and expected synergies subsumed into goodwill. The goodwill recognized as a result of the acquisition of Kickserv is not deductible for tax purposes.

We measured the identifiable assets and liabilities assumed at their acquisition date estimated fair values separately from goodwill, which represent Level 3 fair value measurements as defined in ASC 820, *Fair Value Measurement*. The estimated fair values were determined by management using the assistance of third-party valuation specialists. The valuation methods used to determine the estimated fair value of intangible assets included the income approach—relief from royalty method for developed technology with an

Notes to Unaudited Condensed Consolidated Financial Statements

estimated useful life of five years, and the income approach—multi period excess earnings method for customer relationships with an estimated useful life of 13 years. A number of assumptions and estimates were involved in the application of these valuation methods, including revenue forecasts, expected competition, costs of revenues, obsolescence, tax rates, capital spending, customer attrition rates, discount rates and working capital changes. Cash flow forecasts were generally based on pre-acquisition forecasts coupled with estimated revenues and cost synergies available to a market participant.

Each acquisition allows for an adjustment to the purchase price to be made subsequent to the transaction's closing date based on the actual amount of working capital and cash delivered to the Company. The consideration paid and purchase price allocations disclosed reflect the effects of these adjustments.

The financial results of Kickserv since the closing through September 30, 2024, were not material to our condensed consolidated financial statements, nor were they material to our prior period consolidated results on a pro forma basis.

The following table summarizes the estimated fair values of consideration transferred, assets acquired and liabilities assumed at the acquisition date:

	<u>August 10, 2023</u>
	<i>(in thousands)</i>
Total consideration transferred:	
Cash	\$ 14,974
Net assets acquired:	
Prepaid expenses and other assets	\$ 51
Intangibles—definite lived	3,155
Goodwill	12,497
Accounts payable, accrued expenses and other	(11)
Deferred tax liability, net	(397)
Deferred revenue	(274)
Other non-current liabilities	(47)
Total net assets acquired	<u>\$ 14,974</u>

Note 4. Fitness Solutions Disposition

On March 13, 2024, we entered into definitive sale and purchase agreements to sell our fitness solutions to Jonas Software. 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 discontinued operations and therefore, its results were included in our unaudited condensed consolidated financial statements through the applicable date of sale. During the three and nine months ended September 30, 2024, we recognized losses of \$0.1 million and \$5.0 million, respectively, related to the sale of Fitness Solutions which are included in loss on sale and impairments on our unaudited condensed consolidated statements of operations and comprehensive loss. During the nine months ended September 30, 2024, we recognized \$6.4 million of goodwill impairment charges representing the allocated goodwill to Fitness Solutions, which is included in loss on sale and impairments on the unaudited condensed consolidated statements of operations and comprehensive loss.

Notes to Unaudited Condensed Consolidated Financial Statements

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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<i>(in thousands)</i>				
By pattern of recognition (timing of transfer of services):				
Point in time	\$ 15,011	\$ 17,984	\$ 44,387	\$ 48,141
Over time	161,249	156,757	479,379	457,788
Total	<u>\$ 176,260</u>	<u>\$ 174,741</u>	<u>\$ 523,766</u>	<u>\$ 505,929</u>
By geographical market:				
United States	\$ 162,459	\$ 159,859	\$ 476,149	\$ 461,336
International	13,801	14,882	47,617	44,593
Total	<u>\$ 176,260</u>	<u>\$ 174,741</u>	<u>\$ 523,766</u>	<u>\$ 505,929</u>

Contract Balances

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

	September 30, 2024	December 31, 2023
<i>(in thousands)</i>		
Accounts receivable, net	\$ 49,883	\$ 45,417
Contract assets	\$ 18,181	\$ 16,117
Deferred revenue	\$ 26,271	\$ 24,082
Customer deposits	\$ 12,524	\$ 12,891
Long-term deferred revenue	\$ 725	\$ 2,168

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 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, 2023 was \$22.4 million for the nine months ended September 30, 2024.

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.

Notes to Unaudited Condensed Consolidated Financial Statements

Accounts Receivable

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

	September 30,	
	2024	2023
	<i>(in thousands)</i>	
Allowance for expected credit losses, beginning of year	\$ 6,183	\$ 4,670
Beginning balance adjustment due to implementation of the new credit loss standard	—	1,309
Bad debt expense	3,237	5,285
Write-offs, net of recoveries	(4,072)	(4,933)
Disposition of Fitness Solutions	(141)	—
Allowance for expected credit losses, end of period	<u>\$ 5,207</u>	<u>\$ 6,331</u>

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 and marketing technology solutions revenue streams. The aggregate amount of transaction consideration allocated to remaining performance obligations as of September 30, 2024 was \$21.2 million. The Company expects to recognize approximately 58% of its remaining performance obligations as revenue within the next year, 31% of its remaining performance obligations as revenue the subsequent year, 10% of its remaining performance obligations as revenue in the third year, and the remainder during the two-year period thereafter.

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 \$9.8 million and \$8.6 million at September 30, 2024 and December 31, 2023, respectively, and long-term assets were \$18.4 million and \$17.9 million at September 30, 2024 and December 31, 2023, respectively. The Company recorded amortization expense within sales and marketing on the unaudited condensed consolidated statements of operations and comprehensive loss of \$1.7 million and \$1.4 million for the three months ended September 30, 2024 and 2023, respectively, and \$5.0 million and \$4.2 million for the nine months ended September 30, 2024 and 2023, respectively. The Company recorded amortization expense within cost of revenues on the unaudited condensed consolidated statements of operations and comprehensive loss of \$0.8 million and \$0.6 million for the three months ended September 30, 2024 and 2023, respectively, and \$2.3 million and \$1.6 million for the nine months ended September 30, 2024 and 2023, respectively.

Note 6. Goodwill

Goodwill activity consisted of the following for the nine months ended September 30, 2024 (in thousands):

Balance at December 31, 2023	\$ 927,431
Impairment	(6,418)
Effect of foreign currency exchange rate changes	(40)
Balance at September 30, 2024	<u>\$ 920,973</u>

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 nine months ended September 30, 2024, we recognized \$6.4 million of goodwill impairment charges representing the allocated goodwill to Fitness Solutions, which is included in loss on sale and impairments on the unaudited condensed consolidated statements of operations and comprehensive loss. There has been no other impairment of goodwill.

Notes to Unaudited Condensed Consolidated Financial Statements

Note 7. Intangible Assets

Intangible assets consisted of the following as of:

September 30, 2024				
Useful Life	Gross Carrying Value	Accumulated Amortization	Net Book Value	
<i>(in thousands)</i>				
Customer relationships	3-20 years	\$ 574,622	\$ 361,518	\$ 213,104
Developed technology	2-12 years	102,450	81,166	21,284
Trade name	3-10 years	37,303	26,319	10,984
Non-compete agreements	2-5 years	2,383	2,365	18
Total		\$ 716,758	\$ 471,368	\$ 245,390

December 31, 2023				
Useful Life	Gross Carrying Value	Accumulated Amortization	Net Book Value	
<i>(in thousands)</i>				
Customer relationships	3-20 years	\$ 605,908	\$ 336,558	\$ 269,350
Developed technology	2-12 years	106,482	74,717	31,765
Trade name	3-10 years	38,627	24,293	14,334
Non-compete agreements	2-5 years	2,408	2,338	70
Total		\$ 753,425	\$ 437,906	\$ 315,519

Amortization expense was \$18.6 million and \$22.5 million for the three months ended September 30, 2024 and 2023, respectively and \$56.5 million and \$68.6 million for the nine months ended September 30, 2024 and 2023, respectively.

Note 8. Property and Equipment

Property and equipment consisted of the following as of:

	September 30, 2024	December 31, 2023
<i>(in thousands)</i>		
Computer equipment and software	\$ 11,768	\$ 11,628
Furniture and fixtures	3,322	3,794
Leasehold improvements	10,566	11,756
Total property and equipment	25,656	27,178
Less accumulated depreciation	(18,464)	(17,444)
Property and equipment, net	\$ 7,192	\$ 9,734

Depreciation expense was \$0.9 million and \$1.3 million for the three months ended September 30, 2024 and 2023, respectively, and \$2.9 million and \$3.3 million for the nine months ended September 30, 2024 and 2023, respectively.

Notes to Unaudited Condensed Consolidated Financial Statements

Note 9. Capitalized Software

Capitalized software consisted of the following as of:

	September 30, 2024	December 31, 2023
	<i>(in thousands)</i>	
Capitalized software	\$ 68,962	\$ 64,137
Less: accumulated amortization	(26,780)	(21,626)
Capitalized software, net	<u>\$ 42,182</u>	<u>\$ 42,511</u>

Amortization expense was \$2.6 million and \$2.3 million for the three months ended September 30, 2024 and 2023, respectively, and \$7.5 million and \$6.1 million for the nine months ended September 30, 2024 and 2023, 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 \$0.2 million and \$0.1 million for the three months ended September 30, 2024 and 2023, respectively, and \$0.6 million for both the nine months ended September 30, 2024 and 2023, 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.

Note 10. Leases

The Company leases real estate from unrelated parties under operating lease agreements that have initial terms ranging from one year to 11 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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(in thousands)</i>			
Operating lease cost	\$ 964	\$ 1,578	\$ 3,253	\$ 4,875
Variable lease cost	591	478	1,908	1,587
Short-term lease cost	93	109	357	258
Total lease cost	<u>\$ 1,648</u>	<u>\$ 2,165</u>	<u>\$ 5,518</u>	<u>\$ 6,720</u>

The Company ceased use of certain leased premises and subleased certain facilities resulting in impairment charges of \$0.1 million during the three months ended September 30, 2023, and \$0.4 million and \$1.1 million during the nine months ended September 30, 2024 and 2023, respectively, to impair the right-of-use lease assets to their fair value, which are included in loss on 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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(in thousands)</i>			
Cash paid for operating lease liabilities	\$ 1,155	\$ 1,127	\$ 3,808	\$ 4,860
Operating lease assets obtained in exchange for operating lease liabilities	\$ —	\$ —	\$ 940	\$ 183

Notes to Unaudited Condensed Consolidated Financial Statements

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:

	September 30, 2024	December 31, 2023
	<i>(in thousands)</i>	
Operating lease right-of-use assets	\$ 11,524	\$ 15,861
Current operating lease liabilities	3,054	3,789
Long-term operating lease liabilities	14,444	19,400
Total operating lease liabilities	<u>\$ 17,498</u>	<u>\$ 23,189</u>

At September 30, 2024 and December 31, 2023, the weighted average remaining lease term for operating leases was 5.15 years and 5.75 years, respectively, and the weighted average discount rate was 5.2% and 5.1%, respectively.

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 September 30, 2024 is as follows (in thousands):

Year ended December 31,	
2024 (remainder of year)	\$ 1,081
2025	4,432
2026	4,240
2027	3,441
2028	2,773
Thereafter	4,735
Total lease payments	20,702
Less: imputed interest	(3,204)
Total present value of lease liabilities	<u>\$ 17,498</u>

Note 11. Long-Term Debt

Long-term debt consisted of the following as of:

	September 30, 2024	December 31, 2023
	<i>(in thousands)</i>	
Term notes with interest payable monthly, interest rate at Adjusted SOFR, plus an applicable margin of 3.25% (7.95992% at September 30, 2024) quarterly principal payments of 0.25% of original principal balance with balloon payment due July 2028	\$ 533,500	\$ 537,625
Revolver with interest payable monthly, interest rate at Adjusted SOFR, plus an applicable margin of 3.25% (7.95992% at September 30, 2024), and outstanding balance due July 2026	—	—
Principal debt	533,500	537,625
Deferred financing costs on long-term debt	(3,296)	(3,983)
Discount on long-term debt	(1,196)	(1,446)
Total debt	529,008	532,196
Less current maturities	5,500	5,500
Long-term portion	<u>\$ 523,508</u>	<u>\$ 526,696</u>

The Company is party to a credit agreement, as amended, that provides for two term loans for an aggregate principal amount of \$550.0 million (“Term Loans”), a revolver with a capacity of \$190.0 million (“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”).

Notes to Unaudited Condensed Consolidated Financial Statements

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 Term Loans, 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%. The applicable rate for the Term Loans 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.

The Company determines the fair value of long-term debt based on trading prices for its debt if available. As of September 30, 2024, 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 \$536.2 million and \$540.3 million as of September 30, 2024 and December 31, 2023, 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 Loans from a floating rate to fixed rate:

Effective Date	Expiration Date	Fixed Interest Rate	Notional Amount	Asset (Liability) Fair Value at September 30, 2024
			(in thousands)	(in thousands)
October 31, 2022	October 31, 2027	4.212 %	\$ 200,000	\$ (5,190)
March 31, 2023	October 31, 2027	3.951 %	100,000	(1,824)
September 20, 2024	October 31, 2027	3.395 %	125,000	(158)

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, in the unaudited condensed consolidated statements of operations and comprehensive loss. As of September 30, 2024 the fair value of the Swap Agreements was a liability of \$7.2 million, which is reported in other non-current liabilities on the unaudited condensed consolidated balance sheets. The related gains and losses resulting from changes in fair value was a loss of \$8.1 million and a gain \$4.5 million during the three months ended September 30, 2024 and 2023, respectively, and loss of \$2.3 million and a gain of \$6.6 million during the nine months ended September 30, 2024 and 2023, 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 September 30, 2024, 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 September 30, 2024 (in thousands):

Year ending December 31:

2024 (remainder of year)	\$ 1,375
2025	5,500
2026	5,500
2027	5,500
2028	515,625
Thereafter	—
Total aggregate maturities of the Company’s debt	<u>\$ 533,500</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 of directors (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, and May 21, 2024, our Board increased

Notes to Unaudited Condensed Consolidated Financial Statements

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 \$200.0 million in shares of the Company’s common stock and, most recently, extended the expiration of the Repurchase Program through December 31, 2025. 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 1.4 million and 5.1 million shares of common stock pursuant to the Repurchase Program for \$14.6 million and \$50.9 million including transaction fees and taxes, during the three and nine months ended September 30, 2024, respectively. As of September 30, 2024, \$39.4 million remained available under the Repurchase Program, inclusive of shares purchased pursuant to our agreement with the selling stockholders as disclosed Note 11. Equity in our Annual Report on Form 10-K.

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. 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, 2023, as of January 1, 2024 the number of shares reserved for issuance under the 2021 Plan increased by 5.6 million.

During the three months ended September 30, 2024, the Company adopted a "withhold to cover" program, which allows it to withhold common stock from employees in connection with the settlement of income tax withholding obligations arising from the vesting of restricted stock unit (“RSUs”) under the 2021 Plan.

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 nine months ended September 30, 2024:

	RSUs	Stock Options
	<i>(in thousands)</i>	
Outstanding as of January 1, 2024	3,337	13,337
Granted	2,615	—
Vested or exercised	(301)	(160)
Cancelled or forfeited	(303)	(195)
Outstanding as of March 31, 2024	5,348	12,982
Granted	213	—
Vested or exercised	(470)	(233)
Cancelled or forfeited	(56)	(139)
Outstanding as of June 30, 2024	5,035	12,610
Granted	80	—
Vested or exercised	(585)	(216)
Cancelled or forfeited	(462)	(80)
Outstanding as of September 30, 2024	4,068	12,314

As of September 30, 2024, total unrecognized compensation expense was \$36.0 million and \$4.0 million related to outstanding RSUs and stock options, respectively.

Notes to Unaudited Condensed Consolidated Financial Statements

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(in thousands)</i>			
Cost of revenues	\$ 120	\$ 127	\$ 362	\$ 362
Sales and marketing	295	402	1,006	1,281
Product development	490	642	1,593	1,808
General and administrative	7,249	4,684	17,223	16,159
Total stock-based compensation expense	\$ 8,154	\$ 5,855	\$ 20,184	\$ 19,610

During the three and nine months ended September 30, 2024, we recorded \$2.0 million of stock-based compensation expense related to the accelerated vesting of options and RSUs held by a former senior executive pursuant to their separation agreement, which was included in general and administrative expense.

Note 14. Net 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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(in thousands except per share amounts)</i>			
Numerator:				
Net loss attributable to common stockholders	\$ (9,156)	\$ (614)	\$ (28,856)	\$ (22,285)
Denominator:				
Weighted-average shares of common stock outstanding, basic and diluted	184,147	188,805	185,317	189,040
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.05)	\$ —	\$ (0.16)	\$ (0.12)

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:

	September 30,	
	2024	2023
	<i>(in thousands)</i>	
Outstanding stock options and unvested RSUs	16,381	17,359
Shares of common stock pursuant to ESPP	217	287
Total anti-dilutive outstanding potential common stock	16,598	17,646

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.

Notes to Unaudited Condensed Consolidated Financial Statements

- **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 nine months ended September 30, 2024 and 2023.

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

	September 30, 2024				Balance Sheet Classification
	Level 1	Level 2	Level 3	Total	
	<i>(in thousands)</i>				
Assets:					
Money market	\$ 10,378	\$ —	\$ —	\$ 10,378	Cash equivalents
Liability:					
Interest rate swaps	\$ —	\$ 7,171	\$ —	\$ 7,171	Other non-current liabilities

	December 31, 2023				Balance Sheet Classification
	Level 1	Level 2	Level 3	Total	
	<i>(in thousands)</i>				
Asset:					
Money market	\$ 764	\$ —	\$ —	\$ 764	Cash equivalents
Liability:					
Interest rate swap	\$ —	\$ 4,889	\$ —	\$ 4,889	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) benefit was \$(0.7) million and \$(0.2) million for the three months ended September 30, 2024 and 2023, respectively, and \$(7.4) million and \$1.5 million for the nine months ended September 30, 2024 and 2023, respectively. The difference in income tax (expense) benefit for the three and nine months ended September 30, 2024 as compared to the corresponding periods in 2023 was driven primarily by an increase in U.S. federal and state income taxes and discrete items, including the sale of North American Fitness in the nine months ended September 30, 2024, and the release of a foreign valuation allowance in the second quarter 2023.

Notes to Unaudited Condensed Consolidated Financial Statements

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 our 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):

Year ended December 31,	
2024 (remainder of year)	\$ 3,950
2025	12,544
2026	3,745
2027	2,625
2028	687
Thereafter	—
Total future minimum payments due	\$ 23,551

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. 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 September 30, 2024 and December 31, 2023, the Company recorded a liability in the amount of \$11.2 million and \$10.9 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:

	September 30, 2024	December 31, 2023
	<i>(in thousands)</i>	
United States	\$ 39,328	\$ 41,134
International	\$ 10,046	\$ 11,111

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, 2023 (the "Annual Report on Form 10-K") filed with the Securities and Exchange Commission ("SEC") on March 14, 2024. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

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, 2023, we served more than 708,000 customers across three core verticals: Home Services; Health Services; and Wellness Services. Excluding the customers associated with the sale of our fitness assets, we served more than 690,000 customers (see Note 4. Fitness Solutions Disposition 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 end-to-end 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.
- **Marketing Technology Solutions:** Our Marketing Technology Solutions work with our Customer Experience Solutions to help customers build their businesses by invigorating marketing operations and improving return on investment across the customer lifecycle. These solutions help businesses to manage campaigns, generate quality leads, increase conversion and repeat sales, improve customer loyalty and provide a polished brand experience. Our solutions include: custom website design, development and hosting, responsive web design, marketing campaign design and management, search engine optimization, paid search and display advertising, social media and blog automation, call tracking, review monitoring and marketplace lead generation, among others.

We go to market with suites of solutions that are aligned to our three core verticals: (i) the EverPro suite of solutions in Home Services; (ii) the EverHealth suite of solutions within Health Services; and (iii) the EverWell suite of solutions in Wellness Services. 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.

We generate three types of revenue: (i) Subscription and Transaction Fees, which are primarily recurring revenue streams, (ii) Marketing Technology Solutions, which includes both recurring and re-occurring revenue streams and (iii) Other revenue which consists primarily of one-time revenue streams. Our recurring revenue generally consists of monthly, quarterly and annual software and maintenance subscriptions, transaction revenue associated with integrated payments and billing solutions and monthly contracts for Marketing Technology Solutions. Additionally, our re-occurring revenue includes revenue related to the sale of marketing campaigns and lead generation under contractual arrangements with customers.

Our business benefits from attractive unit economics. Approximately 97% and 95% of our revenue was recurring or re-occurring in the nine months ended September 30, 2024 and 2023, respectively, and we maintained an annualized net revenue retention rate of approximately 91% and 97% for the quarters ended September 30, 2024 and 2023, respectively. Our annualized pro forma net revenue retention rate was equal to the annualized net revenue retention rate for the quarters ended September 30, 2024 and 2023, 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. Excluding our marketing technology solutions, our annualized net revenue retention rate for our core software and payments solutions was approximately 96% and 100% for the quarters ended September 30, 2024 and 2023, respectively. 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 2023 is the difference between the recurring or re-occurring revenue generated in November 2023 and the same such revenue generated in November 2022, for customers with a start date prior to December 1, 2022 and no end date or cancelled relationship on or after November 1, 2023. 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 2023 is the difference between the recurring or re-occurring revenue generated in November 2023 and the same such revenue generated in November 2022, for customers that cancelled on or after November 1, 2022 and before November 1, 2023. 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.

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 nine months ended September 30, 2024, we recognized losses of \$0.1 million and \$5.0 million, respectively, related to the sale of Fitness Solutions, which are included in loss on 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 nine months ended September 30, 2024, we recognized \$6.4 million of goodwill impairment charges representing the allocated goodwill to Fitness Solutions, which is included in loss on sale and impairments on the unaudited condensed consolidated statements of operations and comprehensive loss included in this Quarterly Report on Form 10-Q.

Impact of Macroeconomic Climate

The macroeconomic climate continues to see pressure from global developments such as international geopolitical conflict, terrorism, 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.

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 filed on March 14, 2024.

Key Business and Financial Metrics (Non-GAAP Financial Measures)

In addition to our results and measures of performance determined in accordance with generally accepted accounting principles in the United States (“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.

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 0.9% and 3.5% for the three and nine months ended September 30, 2024, respectively, as compared to the same periods in the prior year. Total revenues include post-acquisition revenue from Kickserv, which was acquired August 10, 2023 (see Note 3. Kickserv Acquisition in this Quarterly Report on Form 10-Q), of \$0.7 million and \$2.0 million during the three and nine months ended September 30, 2024, respectively. Additionally, 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 \$6.0 million and \$17.8 million during the three and nine months ended September 30, 2023, respectively, and \$8.2 million during the nine months ended September 30, 2024. Our Pro Forma Revenue Growth rate was 4.3% and 5.3% for the three and nine months ended September 30, 2024, respectively, reflective of the underlying growth in our business as a result of new customers and providing more solutions to existing customers.

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 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 GAAP, to Adjusted Gross Profit on a consolidated basis.

	Three months ended		Change	Nine months ended		Change
	September 30,			September 30,		
	2024	2023	\$	2024	2023	\$
	<i>(in thousands)</i>					
Revenue	\$ 176,260	\$ 174,741	\$ 1,519	\$ 523,766	\$ 505,929	\$ 17,837
Cost of revenues (exclusive of depreciation and amortization)	59,275	61,471	(2,196)	177,415	175,602	1,813
Amortization of developed technology	2,867	3,824	(957)	7,902	11,473	(3,571)
Amortization of capitalized software	2,589	2,224	365	7,519	6,051	1,468
Depreciation expense allocated to cost of revenues	196	336	(140)	688	864	(176)
Gross profit	111,333	106,886	4,447	330,242	311,939	18,303
Depreciation and amortization	5,652	6,384	(732)	16,109	18,388	(2,279)
Adjusted gross profit	\$ 116,985	\$ 113,270	\$ 3,715	\$ 346,351	\$ 330,327	\$ 16,024

Adjusted EBITDA

Adjusted EBITDA is calculated as net 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 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 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 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 GAAP measures of income (loss).

The following table presents a reconciliation of net loss, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted EBITDA on a consolidated basis.

	Three months ended		Change	Nine months ended		Change
	September 30,			September 30,		
	2024	2023		2024	2023	
	(in thousands)					
Net loss	\$ (9,156)	\$ (614)	\$ (8,542)	\$ (28,856)	\$ (22,285)	\$ (6,571)
Adjusted to exclude the following:						
Interest and other expense, net	18,331	6,666	11,665	33,674	26,615	7,059
Income tax expense (benefit)	742	241	501	7,368	(1,543)	8,911
Depreciation and amortization	21,991	26,035	(4,044)	66,880	77,975	(11,095)
Other amortization	1,745	1,431	314	5,098	4,184	914
Stock-based compensation expense	8,154	5,855	2,299	20,184	19,610	574
Transaction-related and other non-recurring costs	2,704	2,190	514	22,268	7,985	14,283
Adjusted EBITDA	\$ 44,511	\$ 41,804	\$ 2,707	\$ 126,616	\$ 112,541	\$ 14,075

Description of Certain Components of Financial Data

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 three primary sources which are described in detail below: (i) Subscription and Transaction Fees, which are primarily recurring revenue streams, (ii) Marketing Technology Solutions, which includes both recurring and re-occurring revenue streams and (iii) 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.

Marketing Technology Solutions: Revenue includes (i) recurring revenues for managing digital advertising programs on behalf of our customers including website hosting, search engine management and optimization, social media management and blog automation; and (ii) re-occurring fees paid by service professionals for consumer leads generated by our various platforms.

Other: Revenue includes (i) consulting, implementation, training and other professional services; (ii) website development; (iii) revenue from various business development partnerships; (iv) event income; and (v) 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 mix of revenue between subscription and transaction fees and marketing technology solutions, labor costs, third-party expenses and acquisitions and dispositions. In particular, marketing technology solutions revenue generally has a higher cost of revenue as a percentage of revenue than our subscription and transaction fee revenue. For the three and nine months ended September 30, 2024, revenue from subscription and transaction fees increased 3.7% and 5.8%, respectively, and revenue from marketing technology solutions decreased 6.7% and 3.3%, respectively, compared to the prior year periods. To the extent our marketing technology solutions revenue grows at a faster rate, whether by acquisition or otherwise, than our subscription and transaction fees revenue, it could negatively impact our cost of revenues as a percentage of revenue.

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 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 for the foreseeable future 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 as we continue to increase investments to support our growth and due to increased costs as a result of being a public company.

Depreciation and Amortization

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

Loss on Sale and Impairments

Loss on sale relates to the divestiture of Fitness Solutions. Impairments include a goodwill impairment charge representing the allocated goodwill to Fitness Solutions (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) Benefit

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) benefit 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.

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 includes the results of Fitness Solutions for all periods through the applicable date of sale.

Comparison of the three and nine months ended September 30, 2024 and 2023

	Three months ended September 30,		Change \$	Nine months ended September 30,		Change \$
	2024	2023		2024	2023	
<i>(in thousands)</i>						
Revenues:						
Subscription and transaction fees	\$ 137,566	\$ 132,640	\$ 4,926	\$ 409,331	\$ 386,765	\$ 22,566
Marketing technology solutions	34,361	36,838	(2,477)	99,660	103,081	(3,421)
Other	4,333	5,263	(930)	14,775	16,083	(1,308)
Total revenues	176,260	174,741	1,519	523,766	505,929	17,837
Operating expenses:						
Cost of revenues ⁽¹⁾ (exclusive of depreciation and amortization presented separately below)	59,275	61,471	(2,196)	177,415	175,602	1,813
Sales and marketing ⁽¹⁾	30,577	30,086	491	91,297	91,660	(363)
Product development ⁽¹⁾	20,100	19,318	782	60,464	56,352	4,112
General and administrative ⁽¹⁾	34,330	31,477	2,853	103,774	100,429	3,345
Depreciation and amortization	21,991	26,035	(4,044)	66,880	77,975	(11,095)
Loss on sale and impairments	70	61	9	11,750	1,124	10,626
Total operating expenses	166,343	168,448	(2,105)	511,580	503,142	8,438
Operating income	9,917	6,293	3,624	12,186	2,787	9,399
Interest and other expense, net	(18,331)	(6,666)	(11,665)	(33,674)	(26,615)	(7,059)
Net loss before income tax (expense) benefit	(8,414)	(373)	(8,041)	(21,488)	(23,828)	2,340
Income tax (expense) benefit	(742)	(241)	(501)	(7,368)	1,543	(8,911)
Net loss	\$ (9,156)	\$ (614)	\$ (8,542)	\$ (28,856)	\$ (22,285)	\$ (6,571)

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

	Three months ended September 30,		Change \$	Nine months ended September 30,		Change \$
	2024	2023		2024	2023	
<i>(in thousands)</i>						
Cost of revenues	\$ 120	\$ 127	\$ (7)	\$ 362	\$ 362	\$ —
Sales and marketing	295	402	(107)	1,006	1,281	(275)
Product development	490	642	(152)	1,593	1,808	(215)
General and administrative	7,249	4,684	2,565	17,223	16,159	1,064
Total stock-based compensation expense	\$ 8,154	\$ 5,855	\$ 2,299	\$ 20,184	\$ 19,610	\$ 574

Comparison of the three and nine months ended September 30, 2024 and 2023 (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 nine months ended September 30, 2024 compared to the same period in 2023.

	Three months ended September 30,		Change %	Nine months ended September 30,		Change %
	2024	2023		2024	2023	
Total Revenues	100.0%	100.0%		100%	100%	
Operating expenses:						
Cost of revenues (exclusive of depreciation and amortization presented separately below)	33.6 %	35.2 %	(1.6)%	33.9 %	34.7 %	(0.8)%
Sales and marketing	17.3 %	17.2 %	0.1 %	17.4 %	18.1 %	(0.7)%
Product development	11.4 %	11.1 %	0.3 %	11.5 %	11.1 %	0.4 %
General and administrative	19.5 %	18.0 %	1.5 %	19.8 %	19.9 %	(0.1)%
Depreciation and amortization	12.5 %	14.9 %	(2.4)%	12.8 %	15.4 %	(2.6)%
Loss on sale and impairments	— %	— %	— %	2.2 %	0.2 %	2.0 %
Total operating expenses	94.4 %	96.4 %	(2.0)%	97.7 %	99.4 %	(1.7)%

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 34.7% for the nine months ended September 30, 2023 to 33.9% for the nine months ended September 30, 2024, an improvement of approximately 80 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 83.8% for the nine months ended September 30, 2023 to 82.7% for the nine months ended September 30, 2024, an improvement of 110 basis points. A discussion on primary drivers of cost reductions resulting in improved margin follows in the subsequent sections.

Revenues

	Three months ended September 30,		Change \$	Nine months ended September 30,		Change \$
	2024	2023		2024	2023	
<i>(in thousands)</i>						
Revenues:						
Subscription and transaction fees	\$ 137,566	\$ 132,640	\$ 4,926	\$ 409,331	\$ 386,765	\$ 22,566
Marketing technology solutions	34,361	36,838	(2,477)	99,660	103,081	(3,421)
Other	4,333	5,263	(930)	14,775	16,083	(1,308)
Total revenues	\$ 176,260	\$ 174,741	\$ 1,519	\$ 523,766	\$ 505,929	\$ 17,837

Revenues increased \$1.5 million, or 0.9%, and \$17.8 million, or 3.5%, for the three and nine months ended September 30, 2024, respectively, as compared to the same periods in 2023. The growth of revenue from subscription and transaction fees was 3.7% and 5.8% during the three and nine months ended September 30, 2024, respectively, as compared to the prior year periods, while the changes in marketing technology solutions and other revenues experienced more volatility in revenue generation than the delivery of services through our system of actions. 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 revenue increases consist primarily of increases from (a) business management software and (b) billing and payment solutions. Business management software revenues drove a \$5.2 million and \$19.5 million increase in subscription and transaction revenues for the three and nine months ended September 30, 2024, respectively, due to an expansion in our number of customers, certain price increases across our portfolio, and an increase in rebate revenue from contracted suppliers due to growth of membership subscriptions in group purchasing programs. Billing and payment solutions revenues drove a decrease of \$0.3 million and an increase of \$3.0 million during the three and nine months ended September 30, 2024, respectively. The decrease in the three-month period was primarily due to the Fitness Solutions divestiture, partially offset by higher transaction volumes processed through our payment platforms. The increase in the nine-month period was due to higher transaction volumes processed through our payment platforms, partially offset by lower revenue due to the Fitness Solutions divestiture. Subscription and transaction revenues also include \$0.7 million and \$2.0 million of post-acquisition revenue from Kickserv for the three and nine months ended September 30, 2024, respectively, and pre-divestiture

revenue from Fitness Solutions of \$5.9 million and \$17.6 million for the three and nine months ended September 30, 2023, respectively (see Note 3. Kickserv Acquisition and Note 4. Fitness Solutions Disposition, respectively, in this Quarterly Report on Form 10-Q). Marketing technology solutions revenues decreased \$2.5 million and \$3.4 million during the three and nine months ended September 30, 2024, respectively. The decrease in the three and nine-month periods was primarily due to a reduction in demand driven by decreases in consumer spending, partially offset by certain price increases and customer growth related to lead generation services. Other revenues decreased \$0.9 million and \$1.3 million during the three and nine months ended September 30, 2024, respectively. Other revenues decreased in the three and nine-month periods driven by revenue related to project implementation and customer development services which did not recur in the current year.

Cost of Revenues

	Three months ended September 30,		Change \$	Nine months ended September 30,		Change \$
	2024	2023		2024	2023	
<i>(dollars in thousands)</i>						
Cost of revenues (exclusive of depreciation and amortization presented separately below)	\$ 59,275	\$ 61,471	\$ (2,196)	\$ 177,415	\$ 175,602	\$ 1,813

Cost of revenues decreased by \$2.2 million, or 3.6%, and increased by \$1.8 million, or 1.0%, for the three and nine months ended September 30, 2024, respectively, as compared to the same periods in 2023. The decrease for the three-month period was primarily comprised of a \$1.7 million reduction in lead generation and ad spend subject to resale to customers, \$1.5 million decrease in personnel and compensation expense, and a \$0.5 million decrease in communication services, partially offset by a \$0.8 million increase in software hosting expenses, \$0.5 million increase in application programming interface fees, and \$0.3 million increase in campaign mail expenses. The increase for the nine-month period was primarily comprised of an additional \$2.7 million of lead generation and ad spend subject to resale to customers, \$1.7 million of software hosting expenses, \$1.6 million of application programming interface fees, and \$0.9 million of campaign mail expenses, partially offset by a \$4.0 million decrease in personnel and compensation expense, and a \$1.4 million decrease in communication services.

Sales and Marketing

	Three months ended September 30,		Change \$	Nine months ended September 30,		Change \$
	2024	2023		2024	2023	
<i>(dollars in thousands)</i>						
Sales and marketing	\$ 30,577	\$ 30,086	\$ 491	\$ 91,297	\$ 91,660	\$ (363)

Sales and marketing expenses increased by \$0.5 million, or 1.6%, and decreased \$0.4 million, or 0.4%, for the three and nine months ended September 30, 2024, respectively as compared to the same periods in 2023. As a percentage of revenue, sales and marketing expenses increased slightly in the three-month period from 17.2% to 17.3%, while in the nine-month period decreased from 18.1% to 17.4%, an improvement of 70 basis points, due to cost discipline through ongoing transformation initiatives.

Product Development

	Three months ended September 30,		Change \$	Nine months ended September 30,		Change \$
	2024	2023		2024	2023	
<i>(dollars in thousands)</i>						
Product development	\$ 20,100	\$ 19,318	\$ 782	\$ 60,464	\$ 56,352	\$ 4,112

Product development expenses increased by \$0.8 million, or 4.0%, and \$4.1 million, or 7.3%, for the three and nine months ended September 30, 2024, respectively, as compared to the same periods in 2023. The increase for the three-month period was driven primarily by an additional \$0.7 million of outsourced services. The increase for the nine-month period was a result of continued investment in our technology and teams to support our various solutions as well as centralized security operations, information technology and cloud engineering, driven by an additional \$2.4 million of personnel and compensation expense, and \$1.7 million of outsourced services.

General and Administrative

	Three months ended September 30,		Change	Nine months ended September 30,		Change
	2024	2023		2024	2023	
			\$			\$
	<i>(dollars in thousands)</i>					
General and administrative	\$ 34,330	\$ 31,477	\$ 2,853	\$ 103,774	\$ 100,429	\$ 3,345

General and administrative expenses increased by \$2.9 million, or 9.1%, and \$3.3 million, or 3.3%, for the three and nine months ended September 30, 2024, respectively, as compared to the same periods in 2023. The increase for the three-month period was driven primarily by an additional \$2.6 million in stock-based compensation expense, a \$1.8 million increase in personnel and compensation expense, and an additional \$0.7 million in software and tools, partially offset by a \$0.7 million decrease in facility expense, a \$0.7 million decrease in professional fees, and a \$0.5 million decrease in bad debt expense. The increase for the nine-month period was driven primarily by an additional \$2.9 million in personnel and compensation expense, \$2.0 million in software and tools, \$1.1 million in stock-based compensation expense, \$0.9 million in outsourced services and \$0.3 million in professional and legal fees, partially offset by a \$2.0 million decrease in bad debt expense, and a \$1.8 million decrease in facility expense.

Depreciation and Amortization

	Three months ended September 30,		Change	Nine months ended September 30,		Change
	2024	2023		2024	2023	
			\$			\$
	<i>(dollars in thousands)</i>					
Depreciation and amortization	\$ 21,991	\$ 26,035	\$ (4,044)	\$ 66,880	\$ 77,975	\$ (11,095)

Depreciation and amortization expenses decreased by \$4.0 million, or 15.5%, and \$11.1 million, or 14.2%, for the three and nine months ended September 30, 2024, respectively, as compared to the same periods in 2023. The reduction in depreciation and amortization was driven primarily by the reduced rate of replacement assets resulting from a slowdown in business acquisitions. The decrease for the three-month period was driven primarily by \$3.9 million in lower intangible assets' amortization. The decrease for the nine-month period was driven primarily by \$12.1 million in lower intangible assets' amortization, and \$0.5 million of property and equipment depreciation, partially offset by \$1.5 million of additional capitalized software amortization.

Loss on Sale and Impairments

	Three months ended September 30,		Change	Nine months ended September 30,		Change
	2024	2023		2024	2023	
			\$			\$
	<i>(dollars in thousands)</i>					
Loss on sale and impairments	\$ 70	\$ 61	\$ 9	\$ 11,750	\$ 1,124	\$ 10,626

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). During the three and nine months ended September 30, 2024, we recognized losses of \$0.1 million and \$5.0 million, respectively, related to the sale of Fitness Solutions. During the nine months ended September 30, 2024, we recognized \$6.4 million of goodwill impairment charges representing the allocated goodwill to Fitness Solutions. We did not have similar expenses during the three and nine months ended September 30, 2023. The increase for the three and nine months ended September 30, 2024, were partially offset by lower right-of-use lease asset impairments charges of \$0.1 million and \$1.1 million, respectively, as compared to the same period in 2023.

Interest and Other Expense, net

	Three months ended September 30,		Change	Nine months ended September 30,		Change
	2024	2023		2024	2023	
			\$			\$
	<i>(dollars in thousands)</i>					
Interest and other expense, net	\$ 18,331	\$ 6,666	\$ 11,665	\$ 33,674	\$ 26,615	\$ 7,059

Interest and other expense, net, increased by \$11.7 million, or 175.0%, and increased \$7.1 million, or 26.5%, for the three and nine months ended September 30, 2024, respectively, as compared to the same periods in 2023 with the changes primarily driven by volatility of interest rates. The increase for the three-month period was driven primarily by an unrealized loss of \$8.1 million on

interest rate swaps recorded during three months ended September 30, 2024 as compared to an unrealized gain of \$4.5 million in the comparative period, partially offset by a decrease of \$0.6 million in interest expense as a result of lower variable base interest rates on the Company's Credit Facilities (as defined below), and a \$0.5 million increase in interest income. The increase for the nine-month period was driven primarily by an unrealized loss of \$2.3 million on interest rate swaps recorded during the nine months ended September 30, 2024 as compared to an unrealized gain of \$6.6 million in the comparative period, partially offset by a \$1.4 million increase in interest income, and a decrease of \$0.6 million in interest expense as a result of lower variable base interest rates on the Company's Credit Facilities.

Income Tax (Expense) Benefit

	Three months ended September 30,		Change \$	Nine months ended September 30,		Change \$
	2024	2023		2024	2023	
	<i>(dollars in thousands)</i>					
Income tax (expense) benefit	\$ (742)	\$ (241)	\$ (501)	\$ (7,368)	\$ 1,543	\$ (8,911)

Income tax expense increased by \$0.5 million and \$8.9 million for the three and nine months ended September 30, 2024, respectively, as compared to the corresponding periods in 2023, with the change driven primarily by an increase in U.S. federal and state income taxes and discrete items, including the sale of North American Fitness during the nine months ended September 30, 2024, and the release of a foreign valuation allowance in the three and nine months ended September 30, 2023.

Liquidity and Capital Resources

To date, our primary sources of liquidity have been net cash provided by operating activities, proceeds from equity issuances and proceeds from long-term debt.

We utilize liquidity for items such as strategic investments in the ongoing transformation of our business and infrastructure, our recent business acquisition of Kickserv and share repurchases authorized through our Repurchase Program (defined below). For a description of our recent acquisitions, see Note 3. Acquisitions in the notes to the audited consolidated financial statements included in our Annual Report on Form 10-K and Note 3. Kickserv Acquisition in the notes to the unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q. Absent significant deterioration of market conditions, we expect that working capital requirements, capital expenditures, acquisitions, the Repurchase Program, debt servicing and lease obligations will be our principal needs for liquidity going forward.

As of September 30, 2024, we had cash, cash equivalents and restricted cash of \$101.6 million, \$190.0 million of available borrowing capacity under our Revolver (as defined below) and \$533.5 million outstanding under our Term Loans (as defined below). We believe that our existing cash, cash equivalents and restricted cash, availability under our Credit Facilities, and our cash flows from operations will be sufficient to fund our working capital requirements and planned capital expenditures, and to service our debt obligations for at least the next twelve months. However, our future working capital requirements will depend on many factors, including our rate of revenue growth, the timing and size of future acquisitions, and the timing of introductions of new products and services. If needed, additional funds may not be available on terms favorable to us, or at all. If we are unable to raise additional funds when desired, our business, financial condition and results of operations could be adversely affected. See Part II, Item 1A. "Risk Factors."

Cash Flows

The following table sets forth cash flow data for the periods indicated therein:

	Nine months ended September 30,	
	2024	2023
	<i>(in thousands)</i>	
Net cash provided by operating activities	\$ 64,750	\$ 68,587
Net cash used in investing activities	(7,669)	(31,826)
Net cash used in financing activities	(51,341)	(41,646)
Effect of foreign currency exchange rate changes on cash	(345)	(116)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 5,395	\$ (5,001)

Cash Flow from Operating Activities

Net cash provided by operating activities was \$64.8 million for the nine months ended September 30, 2024, compared to \$68.6 million for the nine months ended September 30, 2023. 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 decrease in cash provided by operating activities for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 was primarily due to higher costs directly related to the delivery of our services and products of \$11.1 million, higher investments made to support the growth of our business of \$4.7 million, higher other expenses and timing of payments of \$1.4 million, higher taxes of \$0.9 million and higher interest payments of \$0.6 million, partially offset by higher cash collections from our subscription and transaction fees and marketing technology solutions of approximately \$13.5 million and higher interest income of \$1.4 million.

Cash Flow from Investing Activities

During the nine months ended September 30, 2024, net cash used in investing activities of \$7.7 million related primarily to costs to develop software of \$13.1 million and \$1.2 million used for purchases of property and equipment, partially offset by proceeds from the sale of Fitness Solutions, net of transaction costs, cash and restricted cash sold for approximately \$6.6 million.

During the nine months ended September 30, 2023, net cash used in investing activities of \$31.8 million related primarily to the acquisition of Kickserv, net of cash acquired, for approximately \$15.0 million, costs to develop software of \$14.7 million and the remainder was used primarily for purchases of property and equipment.

Cash Flow from Financing Activities

During the nine months ended September 30, 2024, net cash used in financing activities of \$51.3 million related primarily to the repurchase and retirement of shares of our common stock of \$50.6 million.

During the nine months ended September 30, 2023, net cash used in financing activities of \$41.6 million related primarily to the repurchase and retirement of shares of our common stock of \$41.3 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 provides for two term loans for an aggregate principal amount of \$550.0 million (“Term Loans”), a revolver with a capacity of \$190.0 million (“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 Term Loans, 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 Loans 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.

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 Loans from a floating rate to fixed rate:

Effective Date	Expiration Date	Fixed Interest Rate	Notional Amount	Asset (Liability) Fair Value at September 30, 2024
			<i>(in thousands)</i>	<i>(in thousands)</i>
October 31, 2022	October 31, 2027	4.212 %	\$ 200,000	\$ (5,190)
March 31, 2023	October 31, 2027	3.951 %	100,000	(1,824)
September 20, 2024	October 31, 2027	3.395 %	125,000	(158)

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 Loans mature in July 2028. The Term Loans may be repaid or prepaid but may not be re-borrowed.

As of September 30, 2024, there was \$533.5 million outstanding under our Credit Facilities, all of which was related to the Term Loans as no amounts were outstanding under the Revolver. The effective interest rate on the Term Loans was approximately 8.0% for the three months ended September 30, 2024, excluding the effect of any interest rate swap agreements.

As of September 30, 2024, 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, and May 21, 2024, 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 \$200.0 million in shares of the Company’s common stock, and extended the expiration of the Repurchase Program most recently through December 31, 2025. 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 1.4 million and 5.1 million shares of common stock for approximately \$14.6 million and \$50.9 million, including transaction fees and taxes, during the three and nine months ended September 30, 2024. As of September 30, 2024, \$39.4 million remained available under the Repurchase Program.

Contractual Obligations

There have been no material changes to our contractual obligations as of September 30, 2024 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 nine months ended September 30, 2024, 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, or the 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 September 30, 2024, 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, 2023.

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, 2023. 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 September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

See Note 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 material legal proceedings. We are from time to time subject to various legal proceedings, claims, and governmental inspections, audits, or investigations that arise in the ordinary course of our business. We believe that the ultimate resolution of these matters would not be expected to have a material adverse effect on our business, financial condition, or operating results.

Item 1A. Risk Factors

In addition to the information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors disclosed in Part I. Item 1A “Risk Factors” of our Annual Report on Form 10-K. There have been no material changes to our risk factors from those included in our Annual Report on Form 10-K.

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

Recent Sales of Unregistered Securities; Purchases of Equity Securities by the Issuer or Affiliated Purchaser

During the three months ended September 30, 2024, we repurchased approximately \$14.6 million in shares of our common stock under our Repurchase Program, including transaction fees and taxes. The stock repurchase activity under our Repurchase Program during the three months ended September 30, 2024 was as follows:

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs ⁽¹⁾	Approximate dollar value of shares that may yet be purchased under the plans or programs ⁽¹⁾
	<i>(in thousands, except per share and share amounts)</i>			
July 1, 2024 - July 31, 2024	519,084	\$ 11.38	519,084	\$ 48,105
August 1, 2024 - August 31, 2024	497,776	\$ 10.31	497,776	\$ 42,976
September 1, 2024 - September 30, 2024	336,810	\$ 10.50	336,810	\$ 39,438

- (1) On June 14, 2022, our Board approved 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, and May 21, 2024, 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 \$200.0 million in shares of the Company’s common stock and, most recently, extended the expiration of the Repurchase Program through December 31, 2025.

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. Open market repurchases will be structured to occur in accordance with applicable federal securities laws, including within the pricing and volume requirements of Rule 10b-18 under the Exchange Act. The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares under this authorization. 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.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On September 6, 2024, Matthew Feierstein, our President, entered into a Rule 10b5-1 trading arrangement intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 325,000 shares of the Company’s common stock until December 31, 2025.

During the three months ended September 30, 2024, 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		
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	Separation and Release of Claims Agreement by and between EverCommerce Inc. and Marc Thompson, dated as of August 6, 2024					*
10.2	Employment Agreement by and between EverCommerce Solutions Inc. and Ryan Siurek, dated as of August 6, 2024					*
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.

SIGNATURES

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

EVERCOMMERCE INC.

Date: November 12, 2024

By: _____
Eric Remer
Chief Executive Officer
(Principal Executive Officer)

Date: November 12, 2024

By: _____
Ryan H. Siurek
Chief Financial Officer
(Principal Financial Officer)

August 6, 2024

Mr. Marc Thompson
Via email

Re: Separation and Release of Claims Agreement

Dear Marc:

This letter agreement (this "Letter Agreement") sets forth the understanding by and between you and EverCommerce Inc. (collectively with its direct and indirect subsidiaries, and any successor(s) thereto, the "Company"), regarding the cessation of your employment with the Company and the transition of your role as Chief Financial Officer of the Company.

1. Separation Date and Transition Services.

a. You and the Company have mutually agreed that your active employment with the Company will terminate on September 6, 2024 (such date, or such earlier date as is mutually agreed to by you and the Company, the "Separation Date") and, as of the Separation Date, you will cease to be an employee of the Company and its direct and indirect subsidiaries. Until the Separation Date, that certain Employment Agreement by and between the Company and you, dated as of June 28, 2021 (the "Employment Agreement") will continue to control with respect to your salary, benefits and other matters with respect to your employment with the Company. In addition, during the period commencing as of the date first written above until the Separation Date, you agree that you will (a) continue to perform your duties as Chief Financial Officer of the Company consistent with past practice unless otherwise directed by the Board of Directors of EverCommerce Inc. (the "Board"), and (b) use your reasonable best efforts to advance the interests of the Company and facilitate the successful transition of your responsibilities to the individual who succeeds you as Chief Financial Officer, in whatever reasonable capacity may be requested by the Board. You agree that you will communicate a message consistent with the Board's direction to key employees, investors, analysts, customers, suppliers, and other relevant third parties relating to your separation from the Company. You acknowledge and agree that you hereby resign from all other offices, directorships, and committees you may hold at the Company and its subsidiaries (including without limitation, as Chief Financial Officer), effective as of the Separation Date.

2. Separation Benefits. Subject to (and in consideration for): (a) your compliance with Section 1 above through the Separation Date, (b) your timely execution and return to the Company, non-revocation of, and compliance with the Waiver and Release of Claims Agreement attached hereto as Exhibit A (the "Release"), and (c) your compliance with the Restrictive Covenants (as defined in Section 3 below), the Company will provide you with the severance payments and benefits set forth below, as if your employment was terminated by the Company without Cause (as defined in the Employment Agreement), which shall be subject to the terms of the Employment Agreement and modified as follows: (A) an amount equal to twelve (12) months of your annual base salary at the rate in effect as of the Separation Date, or \$425,000, less applicable withholdings and deductions, paid in a lump sum within sixty (60) days of the

Separation Date, (B) a pro-rated portion (based on the number of days you were employed by the Company during 2024) of your target annual bonus for 2024, payable in a lump sum sixty (60) days following the Separation Date, less applicable withholdings and deductions, (C) (x) any time-based vesting criteria of your unvested equity awards which are outstanding on the Separation Date and which would have become satisfied in the twelve (12) months following September 6, 2024 will be deemed satisfied as of such date, and (y) to the extent any such award is subject to performance or other non-time based vesting criteria, such award will remain outstanding and eligible to vest until the earlier of the last day of the applicable performance period or the date ending on the twelve (12) month anniversary of the Separation Date and be settled (as applicable) in accordance with its terms based on the actual achievement of such performance criteria, without regard for any requirement of continued employment (and, for the avoidance of doubt, any such award which does not become vested based on the actual achievement of applicable performance criteria by the earlier of the last day of the applicable performance period or the twelve (12) month anniversary of the Separation Date will be automatically forfeited without payment therefor as of the date of such twelve (12) month anniversary), (D) the Company hereby amends the post-termination exercise period of any outstanding stock options held by you under the Company's equity incentive plans through the first anniversary of the Separation Date, and (E) an amount equal to the cost of 12 months of the Company-paid portion of premium payments, as if you had remained an active employee, for any COBRA coverage under the Company's group health plans (which for the avoidance of doubt will be based on the coverage levels in effect immediately prior to the Separation Date), and which shall be payable in a lump sum within sixty (60) days of the Separation Date (for the avoidance of doubt, you will be entitled to elect continued coverage under COBRA on a full self-pay basis to the extent eligible under COBRA) (the payments and benefits set forth in this paragraph 2, collectively, the "Separation Benefits").

3. Restrictive Covenants. You acknowledge that the Company is providing you with the Separation Benefits in material part in consideration for your reaffirmation of your prior agreement to comply with the continuing restrictive covenants set forth in Sections 5 and 6 of the Employment Agreement and your agreement to comply with any restrictive covenants in any other written agreement with the Company providing for restrictive covenant obligations to the maximum extent provided by applicable law, including without limitation, Section 3 of the Release (the "Restrictive Covenants"), and that no Separation Benefits will be made following the date that you first violate any of the Restrictive Covenants.

4. Release. The Separation Benefits are contingent upon and subject to your timely execution and return to the Company of the Release no earlier than the Separation Date and no later than twenty-one (21) days after your receipt of this letter, in accordance with Section 3.2(a)(iii) of the Employment Agreement and your non-revocation and compliance with the Release.

5. Acknowledgement. Employee hereby acknowledges and agrees that, except for Employee's base pay through the Separation Date and any payments owed to Employee under this Letter Agreement, Employee has been paid all wages, bonuses, compensation and benefits

from the Company and has no right to any additional wages, bonuses, compensation or benefits from the Company or any Released Parties.

6. Entire Agreement. This Letter Agreement sets forth the entire agreement between you and the Company with respect to the subject matter set forth herein and supersedes and replaces any and all prior oral or written agreements or understandings between you and the Company with respect to the subject matter hereof; provided, that, for the avoidance of doubt, (a) you will retain your rights under the terms of the Employment Agreement through the date on which all payments or benefits required to be provided thereunder have been made or provided in their entirety, except to the extent such terms result in duplication of compensation or benefits to you, and (b) the provisions of the Employment Agreement which by their terms survive termination of employment will remain in full force and effect in accordance with their terms (as may be amended by this Letter Agreement). This Letter Agreement may be amended only by a subsequent writing signed by both parties. You represent that you have signed this Letter Agreement knowingly and voluntarily.

Please indicate your acceptance of the terms and provisions of this Letter Agreement by signing both copies of this Letter Agreement and returning one copy to me. The other copy is for your files. By signing below, you acknowledge and agree that you have carefully read this Letter Agreement; fully understand and agree to its terms and provisions; have been hereby advised to consult with an attorney prior to executing this Agreement; will comply with the Restrictive Covenants; and intend and agree that this Letter Agreement is final and legally binding on you and the Company. All payments described in this Letter Agreement will be subject to the withholding of any amounts required by federal, state or local law. This Letter Agreement will be governed and construed under the internal laws of the Commonwealth of Massachusetts and may be executed in several counterparts.

Very truly yours,

/s/ Eric Remer

Eric Remer
Chief Executive Officer
On behalf of EverCommerce Inc.

Signature Page to Transition and Release of Claims Agreement

I hereby agree to, acknowledge and accept the terms of the Letter Agreement:

/s/ Marc Thompson

Marc Thompson

Signature Page to Transition and Release of Claims Agreement

Exhibit A**Release Agreement**

This General Release of Claims (this “**Release**”) is made by Marc Thompson (“**Executive**”) in favor of EverCommerce Inc., a Delaware corporation (the “**Company**”) and the “**Releasees**” (as defined below), as of the date of Executive’s execution of this Release.

1. **Release by Executive.** In exchange for the benefits set forth in the certain Letter Agreement entered into by and between the Company and Executive, dated as of August 6, 2024, (the “**Agreement**”) to which this Release is an exhibit, which are conditioned on Executive signing this Release, and to which Executive is not otherwise entitled, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Executive, his heirs, executors, administrators, beneficiaries, representatives, assigns and successors, and all others connected with or claiming through Executive, fully and forever agree to release and discharge the Company and the Company’s parent and subsidiary corporations, and all of their respective past, present and future employee benefit plans, joint venturers, predecessors, successors, assigns, employees, officers, directors, shareholders, administrators, trustees, agents, representatives, and consultants, and all those connected with any of them, in their official and personal capacities (hereinafter the “**Releasees**”) from any and all manner of claims, liabilities and actions, causes of action, in law or in equity, demands, suits, rights, or damages of any kind or nature, whether known or unknown, fixed or contingent (hereinafter called “**Claims**”), that Executive now has or may hereafter have against the Releasees arising out of, connected with or relating to Executive’s employment by the Company and/or other relationship with the Company, or the termination of Executive’s employment and/or other relationship, by reason of any and all acts, omissions, events or facts occurring or existing prior to Executive’s execution of this Release. The Claims released hereunder, including without limitation, any claim of wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, defamation, discrimination, personal injury, physical injury, emotional distress, claims under the Age Discrimination in Employment Act, as amended, 29 U.S.C. § 621 et seq. (“**ADEA**”); the Older Workers’ Protection Benefit Act of 1990; Title VII of the Civil Rights Act of 1964, as amended, by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act (“**WARN**”), as amended, 29 U.S.C. § 2101 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 215 et seq.; all claims and rights under the Massachusetts Payment of Wages Law and the Massachusetts Fair Employment Practices Act, Mass. Gen. Laws ch. 151B; Mass. Gen. Laws ch. 149, §§ 148-150C; and any federal, state or local laws of similar effect.

2. **Claims Not Released.** This Release shall not apply to: the Company’s obligations to provide the separation benefits under Section 2 of the Agreement; Executive’s right to bring any action to enforce the terms of same or of this Release; Executive’s right to

indemnification under any applicable indemnification policy of the Company, including without limitation, any general liability or “directors and officers” insurance policy, any shareholders or other agreement with the Company (including pursuant to any individual indemnification agreement), the Company’s governing documents or applicable law; Executive’s right to assert claims for workers’ compensation or unemployment benefits; Executive’s right to bring to the attention of the Equal Employment Opportunity Commission (“*EEOC*”) or any analogous state agency claims of discrimination, harassment or retaliation (provided, however, that Executive hereby agrees to waive Executive’s right to recover monetary damages or other individual relief in any such charge, investigation or proceeding or any related complaint or lawsuit filed by Executive or anyone else on Executive’s behalf), to the extent required by law; any right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator; any right to file an unfair labor practice charge under the National Labor Relations Act (“*NLRA*”); Executive’s vested rights under any retirement or welfare benefit plan of the Company; any rights Executive may have to benefits under the Company’s standard benefit programs; Executive’s rights in his or her capacity as an equity holder of the Company; Executive’s right to receive payment for accrued salary and any earned but unpaid annual bonus with respect to the year prior to the year in which Executive’s date of termination of employment occurs for services rendered through Executive’s last day of employment, and reimbursement for travel and business expenses properly incurred prior to the separation date, but unreimbursed; or any other rights that may not be waived by an employee under applicable law.

3. Non-Competition. In signing and not revoking this Release and accepting the consideration set forth in Section 2 of the Agreement (to which Executive would otherwise not be entitled), Executive agrees to the post-employment obligation set forth in this Section 3. To protect any Confidential Information (as defined below) that Executive has or had access to and knowledge of during Executive’s employment, Executive agrees that for a period of one (1) year immediately following the date of Executive’s termination of employment with the Company (the “*Restricted Period*”), Executive will not directly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any material ownership interest in, or participate in the operation, management or control of, any person, firm, corporation or business that competes with the Company and its subsidiaries in a “Restricted Business” in a “Restricted Territory” (each as defined below), in each case involving any of the services Executive provided to the Company at any time during Executive’s employment with the Company or, during the last two (2) years of Executive’s employment with the Company starting on the date of Executive’s termination of employment with the Company. It is agreed that passive ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, or (ii) any stock Executive presently owns or any stock Executive acquires without breaching this Release through an investment directed by Executive of up to an aggregate of \$1,000,000 in any entity (based on the fair market value at the time of acquisition) will not constitute a violation of this provision. Notwithstanding the foregoing, nothing herein shall prevent Executive from working during the post-employment portion of the Restricted Period for Silver Lake Technology Management, L.L.C. or any of its affiliates, Providence Strategic Growth Capital Partners LLC or any of its affiliates, or any private equity or venture finance firm that makes investments in a Restricted Business; provided Executive does not

assume an operational role in any Restricted Business, or otherwise provide any services as an employee or director of any Restricted Business or provide any services as a consultant to any Restricted Business in a manner that is directly competitive with the Company and its subsidiaries. The term “**Confidential Information**” means all information belonging to the Company or provided to the Company by a customer that is not known generally to the public or the Company’s competitors. Confidential Information includes, but is not limited to: (i) trade secrets, inventions, software code, product methodologies and specifications, information about goods, products or services under development, research, development or business plans, procedures, survey results, pricing or other financial information, confidential reports, handbooks, customer lists and contact information, information about orders from and transactions with customers, sales, marketing and acquisition strategies and plans, pricing strategies, information relating to sources of data used in goods, products and services, computer programs, computer system documentation, production manuals, operations books, educational materials, audio, visual or electronic recordings, customer communications, customer contracts, training materials, personnel information, business records, or any other materials or technical methods/processes developed, owned or controlled by the Company or any of its subsidiaries or affiliates; (ii) information and materials provided by a customer or acquired from a customer; and (iii) information which is marked or otherwise designated or treated as confidential or proprietary by the Company or any of its subsidiaries or affiliates, provided that a document or other material need not be labeled “Confidential” to constitute Confidential Information. The Company acknowledges and agrees that Executive shall be free to use information that is, at the time of use, generally known in the trade or industry through no breach of this Release or the Agreement by Executive. The term “Restricted Business” means any business conducted by the Company and its subsidiaries at any time during Executive’s employment with the Company, and with respect to the portion of the Restricted Period that follows the termination of Executive’s employment, “**Restricted Business**” means any business conducted by the Company and its subsidiaries during Executive’s last two (2) years of employment with the Company starting on the date of Executive’s termination of employment with the Company. The term “**Restricted Territory**” means any state, county, or locality in the United States in which the Company and its subsidiaries conduct business and any other country, city, state, jurisdiction, or territory in which the Company and its subsidiaries do business, in each case, at any time during Executive’s employment or, with respect to the portion of the Restricted Period that follows the termination of Executive’s employment, any geographic area where Executive provided services or had a material presence or influence during Executive’s last two (2) years of employment with the Company starting on the date of Executive’s termination of employment with the Company.

4. Older Worker’s Benefit Protection Act. In accordance with the Older Worker’s Benefit Protection Act, Executive is hereby advised as follows:

(a) Executive has read this Release and understands its terms and effect, including the fact that Executive is agreeing to release and forever discharge the Company and each of the Releasees from any Claims released in this Release.

(b) Executive understands that, by entering into this Release, Executive does not waive any Claims that may arise after the date of Executive’s execution of this Release, including without limitation any rights or claims that Executive may have to secure enforcement of the terms and conditions of this Release.

(c) Executive has signed this Release voluntarily and knowingly in exchange for the consideration described in this Release, which Executive acknowledges is adequate and satisfactory to Executive and in addition to any other benefits to which Executive is otherwise entitled.

(d) The Company advises Executive to consult with an attorney prior to executing this Release.

(e) Executive has twenty-one (21) days to review and decide whether or not to sign this Release. If Executive signs this Release prior to the expiration of such period, Executive acknowledges that Executive has done so voluntarily, had sufficient time to consider the Release, to consult with counsel and that Executive does not desire additional time and hereby waives the remainder of the twenty-one (21) day period. In the event of any changes to this Release, whether or not material, Executive waives the restarting of the twenty-one (21) day period.

(f) Executive has seven (7) days after signing this Release to revoke this Release (including, without limitation Section 3 of this Release above) and this Release will become effective upon the expiration of that revocation period. If Executive revokes this Release during such seven (7)-day period, this Release will be null and void and of no force or effect on either the Company or Executive and Executive will not be entitled to any of the payments or benefits which are expressly conditioned upon the execution and non-revocation of this Release. If Executive wishes to revoke this Release, Executive shall deliver written notice stating his or her intent to revoke this Release to Lisa Storey, Chief Legal Officer, at 3601 Walnut St suite 400 Denver CO 80205 or lstorey@evercommerce.com, on or before 5:00 p.m. on the seventh (7th) day after the date on which Executive signs this Release.

5. Representations.

(a) Executive represents and warrants that there has been no assignment or other transfer of any interest in any Claim which he or she may have against Releasees, or any of them, based on actions occurring prior to the date of this Agreement.

(b) Executive represents that, as of the date of execution of this Release, he has not filed any lawsuits, charges, complaints, petitions, administrative claims or other accusatory pleadings in any court or with any governmental agency against any of the Releasees.

6. Exceptions. Notwithstanding anything in this Release to the contrary, nothing contained in this Release shall prohibit Executive (or Executive’s attorney) from (i)

filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with the U.S. Securities and Exchange Commission (“**SEC**”), the Financial Industry Regulatory Authority, the EEOC, the NLRB, the Occupational Safety and Health Administration, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or any other securities regulatory agency, self-regulatory authority or federal, state or local regulatory authority (collectively, “**Government Agencies**”), or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, (ii) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to any Government Agencies for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Executive’s attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding, and/or (iii) receiving an award for information provided to any Government Agency. Pursuant to 18 USC Section 1833(b), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, nothing in this Release is intended to or shall preclude Executive from providing truthful testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law. Nothing in this Agreement prevents you from making truthful disclosures regarding any allegedly unlawful workplace discrimination by the Company, including, but not limited to, harassment or sexual assault. Further, nothing in this Agreement restricts or impedes you from exercising protected rights, including any rights under the National Labor Relations Act (“**NLRA**”), to the extent that such rights cannot be waived by agreement, or from complying with any applicable law or regulation, and nothing in this Agreement prevents you from communicating with or assisting other employees or a union with matters that have been or may be brought before the NLRB to the extent authorized by the NLRA or other applicable law.

7. Miscellaneous.

(a) *Severability.* If any sentence, phrase, section, subsection or portion of this Release is found to be illegal or unenforceable, such action shall not affect the validity or enforceability of the remaining sentences, phrases, sections, subsections or portions of this Release, which shall remain fully valid and enforceable.

(b) *Headings.* The headings in this Release are provided solely for convenience, and are not intended to be part of, nor to affect or alter the interpretation or meaning of, this Release.

(c) *Construction of Agreement.* Executive has been represented by, or had the opportunity to be represented by, counsel in connection with the negotiation and execution of this Release. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Release.

(d) *Entire Agreement/Integration.* This Release, together with the Agreement constitutes the entire agreement between Executive and the Company concerning the subject matter hereof. No covenants, agreements, representations, or warranties of any kind, other than those set forth herein, have been made to any party hereto with respect to this Release. All prior discussions and negotiations have been and are merged and integrated into, and are superseded by, this Release. No amendments to this Release will be valid unless written and signed by Executive and an authorized representative of the Company.

(e) *Governing Law.* This Release will in all respects be interpreted, construed, enforced and governed by and in accordance with the internal substantive laws of the Commonwealth of Massachusetts, or by federal law where applicable, exclusive of any rules pertaining to conflicts of laws.

1. Sign only on or within twenty-one (21) days after September 6, 2024.

EXECUTIVE

/s/ Marc Thompson
Marc Thompson

Date: 9/7/2024

Execution Version

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (this “Agreement”) is entered into on August 6, 2024 and effective as of September 6, 2024 (the “Effective Date”), by and between Ryan Siurek (“Executive”), and EverCommerce Solutions Inc., a Delaware corporation (“ESI”, together with EverCommerce Inc. (“ECI”) and any subsidiaries or affiliates as may employ Executive from time to time, and any successor(s) thereto, the “Company”).

WHEREAS, it is the desire of the Company to assure itself of the services of Executive following the Effective Date and thereafter on the terms herein provided by entering into this Agreement; and

WHEREAS, it is the desire of Executive to provide services to the Company following the Effective Date and thereafter on the terms herein provided.

NOW, THEREFORE, in consideration of the promises and the mutual agreements and covenants contained herein, as a condition of Executive’s receipt of the additional consideration of base salary and target annual bonus opportunity increases and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Company and Executive, the parties agree as follows:

ARTICLE I EMPLOYMENT

1.1 **Position and Duties.** Executive shall serve as the Chief Financial Officer of the Company with such responsibilities, duties and authority normally associated with such position and as may from time to time be reasonably assigned to Executive by the Chief Executive Officer of the Company. Executive shall report directly to the Chief Executive Officer of the Company. At the Company’s request, Executive shall serve the Company and/or its subsidiaries and affiliates in such other capacities in addition to the foregoing as the Company shall designate, provided that such additional capacities are consistent with Executive’s position as the Company’s Chief Financial Officer. In the event that Executive serves in any one or more of such additional capacities, Executive’s compensation shall not automatically be increased on account of such additional service. Executive will use Executive’s best efforts to promote the interests, prospects and condition (financial and otherwise) and welfare of the Company and shall perform Executive’s fiduciary duties and responsibilities to the Company to the best of Executive’s ability in a diligent, trustworthy, businesslike and efficient manner. Executive shall devote substantially all of Executive’s business time, attention and energies exclusively to the business interests of the Company, its subsidiaries or affiliates while employed by the Company, except as provided for herein or otherwise specifically approved in writing by the Chief Executive Officer of the Company. It shall not be a violation of this Agreement for Executive to (i) manage Executive’s personal, financial and legal affairs, (ii) participate in trade associations and charitable and

community affairs, and (iii) continue to serve on the board of directors or advisory boards of the companies/organizations as set forth on Exhibit A, and any such other boards of directors or advisory boards of companies/organization upon which Executive may serve with the requisite prior consent of the Chief Executive Officer, if any, in each case, subject to compliance with this Agreement and provided that such activities do not materially interfere with Executive's performance of Executive's duties and responsibilities hereunder or violate Articles IV or V of this Agreement. Executive shall perform his services from the Denver, Colorado metropolitan area, subject to reasonable business travel as necessitated by Executive's job duties or reasonably requested by the Chief Executive Officer from time to time.

1.2 Term of Employment. Executive's employment pursuant to this Agreement shall commence on the Effective Date and end on the date Executive's employment is terminated pursuant to its terms (the "Employment Term").

1.3 Resignations. If Executive's employment with the Company terminates for any reason, then concurrently with such termination, Executive will be deemed to have resigned from all director, officer, trustee or other positions Executive holds with the Company and any of its affiliates, in each case unless agreed to in writing by the Company and Executive (collectively, the "Resignations"). Executive agrees to execute any documents evidencing the Resignations as the Company may reasonably request.

ARTICLE II COMPENSATION AND OTHER BENEFITS

1.1 Base Salary. During the Employment Term, the Company shall pay Executive a salary of \$400,000 per annum, less applicable taxes and withholdings ("Base Salary"), payable in accordance with the normal payroll practices and schedule of the Company. The Board of Directors of ECI (the "Board") (or a duly authorized subcommittee thereof) shall review (and may increase) Executive's Base Salary and Target Bonus (as defined below) on an annual basis.

1.2 Bonus. During the Employment Term, Executive will be eligible to participate in an annual calendar year incentive program established by the Board or its delegate. Executive's annual incentive compensation under such incentive program (the "Annual Bonus") shall be targeted at 40% of Base Salary (the "Target Bonus"). The Annual Bonus payable under the incentive program shall be based on the achievement of performance goals to be established by the Board or its delegate in consultation with the Chief Executive Officer. Any Annual Bonus earned will be paid at the same time annual bonuses are paid to other executives of the Company generally, subject to Executive's continuous employment through the end of the calendar year for which the Annual Bonus relates (but in any event, will be paid during the calendar year following the calendar year to which the Annual Bonus relates).

1.3 LTIP. During the Employment Term, Executive shall continue to be eligible to participate in the Company's long-term incentive plan ("LTIP"), on the same terms and conditions applicable to similarly situated executives; provided, however, that, to the extent that any provision in the LTIP provides for a reduction or forfeiture of any awards made under the LTIP, the Cause and Good Reason definitions contained in this Agreement shall supersede and replace

any contradictory definitions in the LTIP as it may be amended from time to time. The Board (or a duly authorized subcommittee thereof) shall review (and may increase) Executive's LTIP grant on an annual basis.

1.4 Equity Awards. During the Employment Term, Executive will be eligible to participate in the Company's equity incentive plan then in effect and receive equity awards thereunder, as determined by the Board in its sole discretion and subject to the terms of the Company's equity incentive plan and an applicable award agreement; provided, however, that the Cause and Good Reason definitions set forth herein and the accelerated and other vesting provisions set forth in this Agreement shall take precedence over any contradictory provisions in the applicable equity incentive plan or applicable award agreement.

1.5 Benefits. During the Employment Term, Executive shall be entitled to such benefits provided by the Company to its executive employees generally, subject to the eligibility criteria provided by applicable plan documents related to such benefits and to such changes, additions or deletions to such prerequisites and benefits as the Company may make from time to time in its discretion.

1.6 Expenses. During the Employment Term, the Company shall reimburse Executive for all reasonable and necessary travel and other business expenses incurred in the course of the performance of Executive's duties and responsibilities pursuant to this Agreement and consistent with the Company's policies as in effect from time to time with respect to expense reimbursement.

ARTICLE III TERMINATION

1.1 Right to Terminate; Automatic Termination.

(a) Termination Without Cause. Subject to Section 3.2(a), the Company may terminate Executive's employment without notice at any time without Cause (as defined below).

(b) Termination For Cause. Subject to Section 3.2(b), the Company may terminate Executive's employment at any time for Cause (as defined below) effective immediately upon giving such notice or at such other time thereafter as the Company may designate or as provided in this Section 3.1(b). "Cause" shall mean Executive's: (i) conviction of, or plea of guilty or nolo contendere to a felony or crime involving fraud; (ii) commission of a material act of fraud, embezzlement or misappropriation of funds or property of the Company; (iii) willful and material violation of any law, rule, regulation (other than minor traffic violations or similar offenses) or breach of fiduciary duty, each while acting within the scope of Executive's employment with the Company; (iv) willful failure to substantially perform Executive's duties under this Agreement, or repeated refusal to carry out or comply with the reasonable directives of the Company or the Board; (v) intentional and material violation of any substantive Company rule, regulation, procedure or policy of which Executive has received written notice; (vi) material breach of any material provision of any employment, non-disclosure, non-competition, non-solicitation or other similar agreement between the Company (or any subsidiary or affiliate thereof) and Executive, including Articles IV through VII of this Agreement; or (vii) serious and material misconduct by

Executive which, in the good faith and reasonable determination of the Board after diligent investigation substantially harms, or could reasonably be expected to substantially harm, the operations or reputation of the Company or demonstrates gross unfitness to serve; provided, however, that Cause shall not be deemed to exist pursuant to clauses (iii), (iv), (v) and (vi) above unless the act or omission giving rise to Cause is not cured (to the extent curable) within thirty (30) days after the Company gives Executive written notice to cure (which notice sets forth with particularity the conduct requiring cure and the basis for which Cause is claimed). In addition, Cause will include solely for purposes of Section 5.1(a) herein, (y) the Board's good faith determination that it has a reasonable basis for dissatisfaction with Executive's employment for reasons such as lack of capacity or diligence, failure to conform to usual standards of conduct, or other culpable or inappropriate behavior or (z) other grounds for discharge that are reasonably related, in the Board's good faith determination, to the needs of the business of the Company and its Affiliates.

(c) Termination by Death or Disability. Subject to Section 3.2(c) and all applicable laws governing the employment of disabled individuals, Executive's employment with the Company and the Company's obligations under this Agreement shall terminate automatically, effective immediately and without notice, upon Executive's death or a determination of Disability (as defined below) of Executive. For purposes of this Agreement, "Disability" shall include any circumstance resulting in Executive being incapable of performing Executive's duties and responsibilities under this Agreement for (a) a continuous period of 120 days, or (b) periods amounting in the aggregate to 180 days within any one period of 365 days. A determination of Disability shall be made and confirmed in writing by a physician or physicians satisfactory to the Company, and Executive shall cooperate with any efforts to make such determination. Any such determination shall be conclusive and binding on the parties. Any determination of Disability under this Section 3.1(c) is not intended to alter any benefits that any party may be entitled to receive under any long-term disability insurance plan carried by either the Company or Executive with respect to Executive, which benefits shall be governed solely by the terms of any such insurance plan.

(d) Resignation without Good Reason. Subject to Section 3.2(b), Executive's employment shall terminate upon Executive's resignation from employment with the Company for any reason other than Good Reason (defined below), provided Executive provides at least thirty (30) days' prior written notice to the Company of Executive's resignation from employment with the Company, or such other advance notice as may be mutually agreed in writing between the parties following the provision of such notice.

(e) Resignation for Good Reason. Subject to Section 3.2(a), Executive may terminate Executive's employment at any time for Good Reason. "Good Reason" shall mean the occurrence, without Executive's voluntary written consent, of any of the following circumstances: (i) a material breach by the Company of any material provision of this Agreement or any other material written agreement between Executive and the Company, its parents or subsidiaries; (ii) a material diminution in Executive's title, authority, duties, reporting relationship or responsibilities; or (iii) any material reduction in Executive's Base Salary or Target Bonus as then in effect (provided further that any reduction of ten percent (10%) or more shall be deemed material), in

each case other than in connection with an across-the-board reduction affecting other senior executives of the Company proportionately; provided, in each case, that Executive first provides notice to the Company of the existence of the condition described above within thirty (30) days of the initial existence of the condition, upon the notice of which the Company shall have thirty (30) days during which it may remedy the condition, and provided further that Executive's resignation must occur within thirty (30) days following the end of such 30-day cure period.

1.2 Rights Upon Termination.

(a) Severance Payments upon a Termination without Cause or Resignation with Good Reason.

(i) If Executive's employment is terminated pursuant to Sections 3.1(a) or 3.1(e) above (and not pursuant to Sections 3.1(b), 3.1(c), or 3.1(d)) (a "Qualifying Termination"), then Executive shall be entitled to receive, in addition to the Accrued Amounts (as defined below), the following:

(1) an amount in cash equal to twelve (12) months of Executive's then-existing Base Salary (without giving effect to any Base Salary reduction giving rise to Good Reason), payable, less applicable withholdings and deductions, in the form of salary continuation in regular installments over the twelve (12)-month period following the date of Executive's Qualifying Termination in accordance with the Company's normal payroll practices;

(2) a pro-rated portion (based on the number of days Executive was employed by the Company during the calendar year in which the date of Executive's Qualifying Termination occurs) of the Target Bonus for the year in which the Qualifying Termination occurred (the "Pro Rata Bonus"), payable in a lump sum within sixty (60) days following the date of Executive's Qualifying Termination, less applicable withholdings and deductions;

(3) notwithstanding the terms of any equity award agreements to the contrary, (i) any time-based vesting criteria of Executive's then outstanding equity awards (including all RSUs and Options granted under the LTIP and any other equity incentive plan) which would have become satisfied in the twelve (12) months following the date of Executive's Qualifying Termination if he had remained employed will be deemed satisfied as of the date of Executive's Qualifying Termination, and (ii) to the extent any such award is subject to performance or other non-time based vesting criteria, such award will remain outstanding and eligible to vest until the earlier of the last day of the applicable performance period or the date ending on the twelve (12) month anniversary of Executive's Qualifying Termination and be settled (as applicable) in accordance with its terms based on the actual achievement of such performance criteria, without regard for any requirement of continued employment (and, for the avoidance of doubt, any such award which does not become vested based on the actual achievement of applicable performance criteria by the earlier of the last day

of the applicable performance period or the twelve (12) month anniversary of the date of Executive's Qualifying Termination will be automatically forfeited without payment therefor as of the date of such twelve (12) month anniversary); and

(4) during the period commencing on the date of Executive's Qualifying Termination and ending on the twelve (12)-month anniversary thereof or, if earlier, the date on which Executive becomes eligible for coverage under any group health plan of a subsequent employer or otherwise (in any case, the "COBRA Period"), subject to Executive's valid election to continue healthcare coverage under Section 4980B of the Code and the regulations thereunder, the Company shall, in its sole discretion, either continue to provide coverage to Executive and Executive's dependents (at the same or reasonably equivalent levels in effect immediately prior to the date of Executive's Qualifying Termination), or reimburse Executive for coverage for Executive and Executive's dependents, under its group health plan (if any), at the same or reasonably equivalent levels in effect on the date of Executive's termination and subject to Executive paying the same cost for such coverage that would have applied had Executive's employment not terminated, based on Executive's elections in effect as of immediately prior to the date of Executive's Qualifying Termination; provided, however, that if (1) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), (2) the Company is otherwise unable to continue to cover Executive or Executive's dependents under its group health plans, or (3) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, an amount equal to the remaining Company subsidy shall thereafter be paid to Executive in equal monthly installments over the COBRA Period (or remaining portion thereof) on the Company's first regular payroll date of each calendar month, less required withholdings. For the avoidance of doubt, the COBRA continuation period under Section 4980B of the Code shall run concurrently with the period of continued group health plan coverage pursuant to this Section 3.2(a)(i)(4). The continued benefits, reimbursement or cash payments provided for in this Section 3.2(a)(i)(4) are referred to herein as the "Continued Benefits".

(ii) Change of Control Enhancement. If Executive is terminated without Cause or Executive resigns for Good Reason within one (1) month before or within twelve (12) months after a Change of Control (as defined below), Executive shall receive all of the benefits provided for in Section 3.2(a)(i) above, provided, however, that notwithstanding the terms any equity award agreements to the contrary, the time-based vesting provisions of all of Executive's then-outstanding equity awards (including RSU and Options granted under the LTIP and any other equity incentive plans) shall be accelerated so that they are deemed to be one hundred percent (100%) time-vested. The foregoing protections on a Qualifying Termination following a Change of Control shall only apply to any equity awards granted prior to the Change of Control and assumed or substituted in the Change of

Control and shall not apply to any equity awards granted to Executive in connection with or following the Change of Control. For purposes of this Agreement, "Change of Control" shall have the same definition as "Change in Control" set forth in the ECI 2021 Incentive Award Plan; provided, however, that the term "Company" as used therein shall mean either ECI or ESI.

(iii) Any amounts payable pursuant to Section 3.2(a)(i) and Section 3.2(a)(ii) (collectively, the "Severance Benefits") shall be in lieu of notice or any other severance benefits to which you might otherwise be entitled from the Company or any of its subsidiaries. Notwithstanding anything to the contrary herein, the Company's provision of the Severance Benefits shall be contingent upon Executive's timely execution and non-revocation of a general waiver and release of claims agreement in substantially the form attached hereto as **Exhibit B** (a "Release Agreement"), subject to the terms set forth herein. Executive will have twenty-one (21) days (or in the event that Executive's termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), forty-five (45) days) following Executive's receipt of the Release Agreement to consider whether or not to accept it. If the Release Agreement is signed and delivered by Executive to the Company, Executive will have seven (7) days from the date of delivery to revoke Executive's acceptance of such agreement (the "Revocation Period"). To the extent that any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under this Agreement as a result of Executive's termination of employment are delayed pursuant to this Section 3.2(a)(iii), such amounts shall be paid in a lump sum on the first payroll date to occur on or following the 60th day following the date of Executive's Qualifying Termination.

(iv) If Executive does not timely execute the Release Agreement or such Release Agreement is revoked by Executive during the Revocation Period, the Company shall immediately cease paying or providing the Severance Benefits and Executive shall reimburse the Company for the value of any Severance Benefits already paid or provided.

(v) The provisions of this Section 3.2 shall supersede in their entirety any severance payment provisions in any severance plan, policy, program or other arrangement maintained by the Company.

(b) Severance Payments upon a Termination due to Death or Disability. If Executive's employment is terminated pursuant to Section 3.1(c) above, then Executive shall, subject to Executive's (or Executive's personal representative) execution and non-revocation of a Release Agreement, and subject to Sections 3.2(a)(iii), Section 3.2(a)(iv) and 9.7, be entitled to receive, in addition to the Accrued Amounts, the Pro Rata Bonus, payable in a lump sum within sixty (60) days following the date of such termination, less applicable withholdings and deductions.

(c) Upon termination of Executive's employment pursuant to any of the circumstances listed in Section 3.1 above, Executive (or Executive's estate) shall be entitled to receive the sum of: (x) any unpaid Base Salary and any other earned but unpaid compensation with

respect to the period prior to the effective date of termination, (y) reimbursement of expenses to which Executive is entitled and (z) any other benefits to which Executive is legally entitled (collectively, the “Accrued Amounts”).

ARTICLE IV CONFIDENTIALITY

1.1 Confidentiality Obligations. During Executive’s employment with the Company and following termination of that employment for any reason, Executive will not directly or indirectly use or disclose any Confidential Information (as defined below) except in the interest of, for the benefit of, or with the prior consent of the Company, its parents, subsidiaries and affiliates. Executive understands that Executive’s obligations of non-disclosure do not apply to information that Executive can establish by competent proof (x) arises from Executive’s general training, knowledge, skill or experience, whether gained on the job or otherwise; (y) that is readily ascertainable to the public, or (z) that the Executive has a right to disclose as legally protected conduct.

1.2 Permitted Communications. Nothing in this Agreement shall be construed to prohibit Executive from providing truthful information to any government agency in connection with an investigation by such agency into a suspected violation of law, subject to Section 9.8.

1.3 Confidential Information. The term “Confidential Information” means all information belonging to the Company or provided to the Company by a customer that is not known generally to the public or the Company’s competitors. Confidential Information includes, but is not limited to: (i) trade secrets, inventions, software code, product methodologies and specifications, information about goods, products or services under development, research, development or business plans, procedures, survey results, pricing or other financial information, confidential reports, handbooks, customer lists and contact information, information about orders from and transactions with customers, sales, marketing and acquisition strategies and plans, pricing strategies, information relating to sources of data used in goods, products and services, computer programs, computer system documentation, production manuals, operations books, educational materials, audio, visual or electronic recordings, customer communications, customer contracts, training materials, personnel information, business records, or any other materials or technical methods/processes developed, owned or controlled by the Company or any of its subsidiaries or affiliates; (ii) information and materials provided by a customer or acquired from a customer; and (iii) information which is marked or otherwise designated or treated as confidential or proprietary by the Company or any of its subsidiaries or affiliates, provided that a document or other material need not be labeled “Confidential” to constitute Confidential Information. The Company acknowledges and agrees that Executive shall be free to use information that is, at the time of use, generally known in the trade or industry through no breach of this Agreement by Executive.

ARTICLE V NONCOMPETITION; NONSOLICITATION

1.1 Non-Competition; Non-Solicitation. In consideration of Executive's continued participation in the LTIP grant, the equity award grants contemplated to be made to Executive in connection with the execution of this Agreement, the other compensation and benefits described herein, and other good and valuable consideration, Executive agrees that the following restrictions on Executive's activities during and after Executive's employment are reasonable and necessary to protect the legitimate interests of the Company:

(a) Non-Competition. Executive acknowledges that during Executive's employment Executive will have access to and knowledge of Confidential Information. To protect the Confidential Information, Executive agrees that during the period of Executive's employment by the Company, Executive will not, without the Company's express written consent, engage in any other employment or business activity which is competitive with the Company, or would otherwise conflict with Executive's obligations to the Company. In addition, to protect such Confidential Information, Executive agrees that during the Restricted Period, Executive will not directly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any material ownership interest in, or participate in the operation, management or control of, any person, firm, corporation or business that competes with the Company in a "Restricted Business" in a "Restricted Territory" (as defined below), in each case involving any of the services Executive provided to the Company at any time during Executive's employment with the Company or, with respect to the portion of the Restricted Period that follows the termination of Executive's employment, during the last two (2) years of Executive's employment with the Company. It is agreed that passive ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, or (ii) any stock Executive presently owns or any stock Executive acquires without breaching this Agreement following the Effective Date through an investment directed by him of up to an aggregate of \$1,000,000 in any entity (based on the fair market value at the time of acquisition) will not constitute a violation of this provision.

(b) Non-Solicitation. Executive acknowledges that during Executive's employment Executive will have access to and knowledge of Confidential Information. During the Restricted Period, Executive will not (a) directly or indirectly induce any employee, independent contractor or consultant of the Company (or any person or entity who was such within the then preceding three (3) months) to terminate or negatively alter his or her relationship with the Company, (b) solicit the business of any client or customer of the Company (or any person or entity who was such within the then preceding twelve (12) months) (other than on behalf of the Company) in any manner that is competitive with the Company; or (c) induce any supplier, content provider, vendor, consultant or independent contractor of the Company (or any person or entity who was such within the then preceding six (6) months) to terminate or negatively alter his, her or its relationship with the Company. Executive shall not be deemed to have solicited an individual in violation of clause (a) above if such individual responds to an employment advertisement, web posting or other public publication regarding an open position with Executive

or an entity with which Executive is associated, or is referred to Executive or an entity affiliated with Executive by a search firm absent any direct or indirect solicitation by Executive.

(c) As used in Articles IV through VII of this Agreement: (a) during Executive's employment with the Company, the term "Restricted Business" means any business conducted by the Company at any time during Executive's employment with the Company, and with respect to the portion of the Restricted Period that follows the termination of Executive's employment, "Restricted Business" means any business conducted by the Company during Executive's last two (2) years of employment with the Company, (b) during Executive's employment with the Company, "Restricted Territory" means any state, county, or locality in the United States in which the Company conducts business and any other country, city, state, jurisdiction, or territory in which the Company does business, in each case, at any time during Executive's employment or, with respect to the portion of the Restricted Period that follows the termination of Executive's employment, any geographic area where Executive provided services or had a material presence or influence during Executive's last two (2) years of employment with the Company, (c) "Restricted Period" means Executive's employment with the Company whether full-time or part-time and for a period of one (1) year immediately following the termination of Executive's employment, and (d) "Company" (for purposes of Articles IV through VII only) shall include the Company and any parent, affiliate, related and/or direct or indirect subsidiary thereof.

ARTICLE VI RETURN OF RECORDS

Upon termination of Executive's employment with the Company for any reason, or upon request by the Company at any time: (a) Executive shall promptly return to the Company all documents, records and materials belonging to the Company and all copies of all such materials; and (b) Executive shall permanently destroy and delete all such documents, records and materials in Executive's possession or to which Executive has access. The foregoing obligations shall not apply to Executive's own compensation and benefits records and information, and agreements Executive signed in connection with Executive's employment.

ARTICLE VII EXECUTIVE DISCLOSURES AND ACKNOWLEDGMENTS

1.1 Obligations to Others. Executive warrants and represents that (a) Executive is not subject to any employment, consulting or services agreement or any restrictive covenants or agreements of any type, which would limit or prohibit Executive from fully carrying out Executive's duties as described under the terms of this Agreement; and (b) Executive has not retained and will not use or disclose within the scope of Executive's employment with the Company any confidential information, records, trade secrets or other property of a former employer or other third party.

1.2 Scope of Restrictions. Executive acknowledges that: (a) during the course of Executive's employment with the Company, Executive has gained and will gain knowledge of Confidential Information, including trade secrets, and access to and familiarity with the

Company's customers, employees and contractors; (b) the covenants of Articles IV, V and VI (collectively, the "Covenants") are essential to prevent Executive, who has critical access to and familiarity with the goodwill of the Company's business, from misappropriating or diminishing that goodwill; (c) the scope of the Covenants is appropriate, necessary and reasonable for the protection of the Company's retention of existing customers, protection of Confidential Information, investment in training and enhancing of Executive's skill and experience, business, goodwill and proprietary rights; (d) the Covenants are supported by adequate consideration; and (e) the Covenants will not prevent Executive from earning a living in the event of, and after, termination of Executive's employment with the Company, for whatever reason. Nothing herein shall be deemed to prevent Executive, after termination of Executive's employment with the Company, from using general skills and knowledge gained while employed by the Company.

1.3 Remedies for Breach. The parties recognize that Executive's breach of this Agreement will cause irreparable injury to the Company such that monetary damages would not provide an adequate or complete remedy. Accordingly, in the event of Executive's actual or threatened breach of the provisions of this Agreement, the Company, in addition to all other rights, shall be entitled to a temporary and permanent injunction from a court restraining Executive from breaching this Agreement. The prevailing party in such action shall be entitled to recover its reasonable attorney's fees and costs from the non-prevailing party.

1.4 Prospective Employers. Executive agrees, during the term of any restriction contained in Articles IV and V of this Agreement, to disclose this Agreement to any entity which offers employment to Executive.

1.5 Third-Party Beneficiaries. The Company's parents, affiliates and subsidiaries are third-party beneficiaries with respect to Executive's performance of Executive's duties under this Agreement and the undertakings and covenants contained in this Agreement. The Company and any of its parents, affiliates or subsidiaries, enjoying the benefits thereof, may enforce directly against Executive Articles IV, V, VI and VII of this Agreement. For purposes of Articles IV, V, VI and VII of this Agreement only, the term "affiliates," as it relates to the Company, shall mean any individual or entity controlling, controlled by or under common control with the Company.

1.6 Extension of Time. The Restricted Period shall be extended by a period of time equal to the duration of any time period during which Executive is in breach of this Agreement.

1.7 Survival. The covenants set forth in Articles IV, V, VI, VII, VIII and Section 3.2 of this Agreement shall survive the termination of Executive's employment hereunder.

1.8 Severability. It is the intent of the parties that if any court of competent jurisdiction determines that any provision of Articles IV, V, VI or VII of this Agreement is invalid or unenforceable, then such invalidity or unenforceability shall have no effect on the other provisions hereof, which shall remain valid, binding and enforceable and in full force and effect, and, to the extent allowed by law, such invalid or unenforceable provision shall be revised or re-drafted construed to provide for the maximum permissible breadth of the scope or duration of such provision.

**ARTICLE VIII
RIGHTS IN DEVELOPMENTS**

1.1 Work for Hire. Executive acknowledges and agrees that all Inventions (defined below) which Executive makes, conceives, reduces to practice or develops (in whole or in part, either alone or jointly with others) within the scope of Executive's employment shall be the sole and exclusive property of the Company. Unless the Company decides otherwise, the Company shall be the sole owner of all rights in connection therewith. All Inventions are and at all times shall be "work made for hire." Executive hereby assigns to the Company any and all of Executive's rights to any Inventions, absolutely and forever, throughout the world and for the full term of each and every such right, including renewal or extension of any such term, provided that this Agreement does not apply to an Invention for which no equipment, supplies, facility or information of the Company was used and which was developed entirely on Executive's own time, unless (i) the Invention relates directly to the business of the employer to the Restricted Business; or (ii) the Invention results from any work performed by Executive for the Company. The term "Inventions" means any works of authorship, discoveries, formulae, processes, improvements, inventions, designs, drawings, specifications, notes, graphics, source and other code, trade secrets, technologies, algorithms, computer programs, audio, video or other files or content, ideas, designs, processes, techniques, know-how and data, whether or not patentable or copyrightable, made, conceived, reduced to practice or developed by Executive, either alone or jointly with others, during Executive's employment.

1.2 Assistance. Executive agrees to perform all acts deemed necessary or desirable by the Company to permit and assist the Company, at the Company's expense, in evidencing, perfecting, obtaining, maintaining, defending and enforcing the Company's rights and/or Executive's assignment with respect to such Inventions in any and all countries. Such acts may include, without limitation, execution of documents and assistance or cooperation in legal proceedings. Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agents and attorneys-in-fact to act for and on Executive's behalf and instead of Executive to execute and file any documents and to do all other lawfully permitted acts to further the above purposes with the same legal force and effect as if executed by Executive.

1.3 Records. Executive shall keep complete, accurate and authentic information and records on all Inventions in the manner and form reasonably requested by the Company. Such information and records, and all copies thereof, shall be the property of the Company as to any Inventions within the meaning of this Agreement. Such records should be considered proprietary information of the Company and are subject to the provisions of this Agreement. In addition, Executive agrees to promptly surrender all such records and information, and all copies thereof, at the request of the Company.

1.4 List of Inventions. Executive has attached hereto as Exhibit C a complete list of all existing Inventions to which Executive claims ownership as of the date of this Agreement and that Executive desires to clarify are not subject to this Agreement, and Executive acknowledges and

agrees that such list is complete. If no such list is attached to this Agreement, Executive represents that Executive has no such Inventions at the time of signing this Agreement.

ARTICLE IX MISCELLANEOUS

1.1 Entire Agreement; Amendment; Waiver. This Agreement (including any documents referred to herein) sets forth the entire understanding of the parties hereto with respect to the subject matter contemplated hereby. Any and all previous agreements and understandings between or among the parties regarding the subject matter hereof, whether written or oral, are superseded by this Agreement. This Agreement shall not be amended or waived in whole or in part except by a written instrument duly executed by each of the parties hereto.

1.2 Headings. The headings of sections and articles of this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any of its provisions.

1.3 Waiver of Breach. The waiver by either party of the breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party.

1.4 Governing Law; Exclusive Jurisdiction. This Agreement shall in all respects be construed according to the laws of the State of Colorado, without regard to its conflict of laws principles.

1.5 Assignment. This Agreement shall inure to the benefit of Executive and Executive's heirs, executors and estate administrators. This Agreement shall inure to the benefit of the Company and its successors, assigns and legal representatives.

1.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, all of which together shall contribute one and the same instrument.

1.7 Compliance with Section 409A.

(a) General. It is the intention of both the Company and Executive that the benefits and rights to which Executive could be entitled pursuant to this Agreement comply with Section 409A of the Code and the Treasury Regulations and other guidance promulgated or issued thereunder ("Section 409A"), to the extent that the requirements of Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If Executive or the Company believes, at any time, that any such benefit or right that is subject to Section 409A does not so comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Section 409A (with the most limited possible economic effect on Executive and on the Company). No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Executive or any other

individual to the Company or any of its affiliates, employees or agents. All payments to Executive under this Agreement shall be subject to applicable taxes and withholdings.

(b) Distributions on Account of Separation from Service. Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service").

(c) No Acceleration of Payments. Neither the Company nor Executive, individually or in combination, may accelerate any payment or benefit that is subject to Section 409A, except in compliance with Section 409A and the provisions of this Agreement, and no amount that is subject to Section 409A shall be paid prior to the earliest date on which it may be paid without violating Section 409A.

(d) Treatment of Each Installment as a Separate Payment and Timing of Payments. For purposes of applying the provisions of Section 409A to this Agreement, each separately identified amount to which Executive is entitled under this Agreement shall be treated as a separate payment. In addition, to the extent permissible under Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(e) Specified Employee. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service with the Company or (B) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein. The determination of whether Executive is a "specified employee" as of the time of Executive's Separation from Service shall be made by the Company in accordance with the terms of Section 409A (including, without limitation, Section 1.409A-1(i) of the Department of Treasury Regulations and any successor provision thereto).

(f) Reimbursements. To the extent that any reimbursements or corresponding in-kind benefits provided to Executive under this Agreement are deemed to constitute "deferred compensation" under Section 409A, such reimbursements or benefits shall be provided reasonably promptly, but in no event later than December 31 of the year following the year in which the expense was incurred, and in any event in accordance with Section 1.409A-3(i)(1)(iv) of the Department of Treasury Regulations. The amount of any such payments or expense

reimbursements in one calendar year shall not affect the expenses or in-kind benefits eligible for payment or reimbursement in any other calendar year, other than an arrangement providing for the reimbursement of medical expenses referred to in Section 105(b) of the Code, and Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

1.8 Whistleblower Protections and Trade Secrets. Notwithstanding anything to the contrary contained herein, nothing in this Agreement prohibits Executive from communicating with, providing information to or communicating directly with, any United States federal, state, or local governmental agency, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

1.9 Section 280G. Notwithstanding any other provision of this Agreement or any other plan, arrangement, or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to Executive or for Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute parachute payments within the meaning of Section 280G of the Code (such payments, the "Parachute Payments") and would, but for this Section 9.9, be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), or not be deductible under Section 280G of the Code, then such Covered Payments shall be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax, but only if (i) the net amount of such Covered Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Covered Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Covered Payments), is greater than or equal to (ii) the net amount of such Covered Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Covered Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Covered Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Covered Payments). The Covered Payments shall be reduced in a manner that maximizes Executive's economic position. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A, to the extent applicable, and where two or more economically equivalent amounts are subject to

reduction but payable at different times, such amounts payable at the later time shall be reduced first but not below zero.

1.10 Compensation Recovery Policy. Executive acknowledges and agrees that, to the extent the Company adopts any claw-back or similar policy pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules and regulations promulgated thereunder (collectively, "Dodd-Frank") or otherwise, which policy shall be adopted by the Board in good faith in consultation with the Company's compensation consultant and/or legal counsel and determined with reference to relevant benchmarking data, he or she shall take all action necessary to comply with such policy (including, without limitation, entering into any further agreements, amendments or policies necessary or appropriate to implement and/or enforce such policy with respect to past, present and future compensation, as appropriate).

1.11 Acknowledgement. Executive acknowledges that (1) the Company provided Executive written notice of the requirement to sign this Agreement a copy of the Agreement to review at least (14) days before the Effective Date,, (2) that Executive has been and is hereby advised of his right to consult an attorney before signing this Agreement, and (3) Executive has carefully read this Agreement and understand and agree to all of the provisions in this Agreement.

1.12 Execution; Guarantee. This Agreement is being executed by ECI on behalf of itself and ESI. ECI unconditionally guarantees to Executive the due performance of all obligations (including, without limitation, payment obligations) of ESI hereunder, and in the event of any failure of ESI to perform any of those obligations, ECI covenants to assume and perform or cause to be performed all of those obligations. ECI hereby acknowledges that Executive may proceed to enforce the obligations of this guarantee by ECI without first pursuing or exhausting any right or remedy he may have against ESI.

[Remainder of Page Intentionally Blank; Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Executive Employment Agreement to be duly executed as of the date first written above.

EVERCOMMERCE INC.

By: /s/ Eric Remer

Name: Eric Remer

Title: Chief Executive Officer

EXECUTIVE

By: /s/ Ryan Siurek

Ryan Siurek

EXHIBIT A

External Board Service

1. FASB Small Business Advisory Committee
2. Member of the board of Frassati Catholic Academy

EXHIBIT B**Form of Release Agreement**

This General Release of Claims (this “**Release**”) is made by [] (“**Executive**”) in favor of EverCommerce Inc., a Delaware corporation (the “**Company**”) and the “**Releasees**” (as defined below), as of the date of Executive’s execution of this Release.

1. Release by Executive. In exchange for the benefits set forth in the certain Employment Agreement entered into by and between the Company and Executive, dated as of [], (the “**Agreement**”) to which this Release is an exhibit, which are conditioned on Executive signing this Release, and to which Executive is not otherwise entitled, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Executive, his heirs, executors, administrators, beneficiaries, representatives, assigns and successors, and all others connected with or claiming through Executive, fully and forever agree to release and discharge the Company and the Company’s parent and subsidiary corporations, and all of their respective past, present and future employee benefit plans, joint venturers, predecessors, successors, assigns, employees, officers, directors, shareholders, administrators, trustees, agents, representatives, and consultants, and all those connected with any of them, in their official and personal capacities (hereinafter the “**Releasees**”) from any and all manner of claims, liabilities and actions, causes of action, in law or in equity, demands, suits, rights, or damages of any kind or nature, whether known or unknown, fixed or contingent (hereinafter called “**Claims**”), that Executive now has or may hereafter have against the Releasees arising out of, connected with or relating to Executive’s employment by the Company and/or other relationship with the Company, or the termination of Executive’s employment and/or other relationship, by reason of any and all acts, omissions, events or facts occurring or existing prior to Executive’s execution of this Release. The Claims released hereunder, including without limitation, any claim of wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, defamation, discrimination, personal injury, physical injury, emotional distress, claims under the Age Discrimination in Employment Act, as amended, 29 U.S.C. § 621 et seq. (“**ADEA**”); the Older Workers’ Protection Benefit Act of 1990; Title VII of the Civil Rights Act of 1964, as amended, by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act (“**WARN**”), as amended, 29 U.S.C. § 2101 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 215 et seq.; and any federal, state or local laws of similar effect.

2. Claims Not Released. This Release shall not apply to: the Company’s obligations to provide the separation benefits under [Section 3.2] of the Agreement; Executive’s right to bring any action to enforce the terms of same or of this Release; Executive’s right to indemnification under any applicable indemnification policy of the Company, including without limitation, any general liability or “directors and officers” insurance policy, any shareholders or other agreement with the Company (including pursuant to any individual indemnification

B-1

EXHIBIT B**Form of Release Agreement**

This General Release of Claims (this “**Release**”) is made by [] (“**Executive**”) in favor of EverCommerce Inc., a Delaware corporation (the “**Company**”) and the “**Releasees**” (as defined below), as of the date of Executive’s execution of this Release.

1. Release by Executive. In exchange for the benefits set forth in the certain Employment Agreement entered into by and between the Company and Executive, dated as of [], (the “**Agreement**”) to which this Release is an exhibit, which are conditioned on Executive signing this Release, and to which Executive is not otherwise entitled, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Executive, his heirs, executors, administrators, beneficiaries, representatives, assigns and successors, and all others connected with or claiming through Executive, fully and forever agree to release and discharge the Company and the Company’s parent and subsidiary corporations, and all of their respective past, present and future employee benefit plans, joint venturers, predecessors, successors, assigns, employees, officers, directors, shareholders, administrators, trustees, agents, representatives, and consultants, and all those connected with any of them, in their official and personal capacities (hereinafter the “**Releasees**”) from any and all manner of claims, liabilities and actions, causes of action, in law or in equity, demands, suits, rights, or damages of any kind or nature, whether known or unknown, fixed or contingent (hereinafter called “**Claims**”), that Executive now has or may hereafter have against the Releasees arising out of, connected with or relating to Executive’s employment by the Company and/or other relationship with the Company, or the termination of Executive’s employment and/or other relationship, by reason of any and all acts, omissions, events or facts occurring or existing prior to Executive’s execution of this Release. The Claims released hereunder, including without limitation, any claim of wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, defamation, discrimination, personal injury, physical injury, emotional distress, claims under the Age Discrimination in Employment Act, as amended, 29 U.S.C. § 621 et seq. (“**ADEA**”); the Older Workers’ Protection Benefit Act of 1990; Title VII of the Civil Rights Act of 1964, as amended, by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act (“**WARN**”), as amended, 29 U.S.C. § 2101 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 215 et seq.; and any federal, state or local laws of similar effect.

2. Claims Not Released. This Release shall not apply to: the Company’s obligations to provide the separation benefits under [Section 3.2] of the Agreement; Executive’s right to bring any action to enforce the terms of same or of this Release; Executive’s right to indemnification under any applicable indemnification policy of the Company, including without limitation, any general liability or “directors and officers” insurance policy, any shareholders or other agreement with the Company (including pursuant to any individual indemnification

agreement), the Company's governing documents or applicable law; Executive's right to assert claims for workers' compensation or unemployment benefits; Executive's right to bring to the attention of the Equal Employment Opportunity Commission ("**EEOC**") or any analogous state agency claims of discrimination, harassment or retaliation (provided, however, that Executive hereby agrees to waive Executive's right to recover monetary damages or other individual relief in any such charge, investigation or proceeding or any related complaint or lawsuit filed by Executive or anyone else on Executive's behalf), to the extent required by law; any right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator; any right to file an unfair labor practice charge under the National Labor Relations Act ("**NLRA**"); Executive's vested rights under any retirement or welfare benefit plan of the Company; any rights Executive may have to benefits under the Company's standard benefit programs; Executive's rights in his or her capacity as an equity holder of the Company; Executive's right to receive payment for accrued salary and any earned but unpaid Annual Bonus with respect to the year prior to the year in which Executive's date of termination of employment occurs for services rendered through Executive's last day of employment, and reimbursement for travel and business expenses properly incurred prior to the separation date, but unreimbursed; or any other rights that may not be waived by an employee under applicable law.

3. Older Worker's Benefit Protection Act. In accordance with the Older Worker's Benefit Protection Act, Executive is hereby advised as follows:

(a) Executive has read this Release and understands its terms and effect, including the fact that Executive is agreeing to release and forever discharge the Company and each of the Releasees from any Claims released in this Release.

(b) Executive understands that, by entering into this Release, Executive does not waive any Claims that may arise after the date of Executive's execution of this Release, including without limitation any rights or claims that Executive may have to secure enforcement of the terms and conditions of this Release.

(c) Executive has signed this Release voluntarily and knowingly in exchange for the consideration described in this Release, which Executive acknowledges is adequate and satisfactory to Executive and in addition to any other benefits to which Executive is otherwise entitled.

(d) The Company advises Executive to consult with an attorney prior to executing this Release.

(e) Executive has twenty-one (21) days [forty-five (45) days]² to review and decide whether or not to sign this Release. If Executive signs this Release prior to the expiration of such period, Executive acknowledges that Executive has done so voluntarily, had sufficient time to consider the Release, to consult with counsel and that Executive does not desire

² Note to Draft: Include instead of twenty-one days in this paragraph (e) if termination is part of a group termination/layoff.

additional time and hereby waives the remainder of the twenty-one (21) day period. In the event of any changes to this Release, whether or not material, Executive waives the restarting of the twenty-one (21) day period.

(f) Executive has seven (7) days after signing this Release to revoke this Release and this Release will become effective upon the expiration of that revocation period. If Executive revokes this Release during such seven (7)-day period, this Release will be null and void and of no force or effect on either the Company or Executive and Executive will not be entitled to any of the payments or benefits which are expressly conditioned upon the execution and non-revocation of this Release.

If Executive wishes to revoke this Release, Executive shall deliver written notice stating his or her intent to revoke this Release to [NAME, OFFICER TITLE, DEPARTMENT, ADDRESS], on or before 5:00 p.m. on the seventh (7th) day after the date on which Executive signs this Release.

4. Representations.

(a) Executive represents and warrants that there has been no assignment or other transfer of any interest in any Claim which he or she may have against Releasees, or any of them, based on actions occurring prior to the date of this Agreement.

(b) Executive represents that, as of the date of execution of this Release, he has not filed any lawsuits, charges, complaints, petitions, administrative claims or other accusatory pleadings in any court or with any governmental agency against any of the Releasees.

5. Exceptions. Notwithstanding anything in this Release to the contrary, nothing contained in this Release shall prohibit Executive (or Executive's attorney) from (i) filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with the U.S. Securities and Exchange Commission ("**SEC**"), the Financial Industry Regulatory Authority, the EEOC, the NLRB, the Occupational Safety and Health Administration, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or any other securities regulatory agency, self-regulatory authority or federal, state or local regulatory authority (collectively, "**Government Agencies**"), or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, (ii) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to any Government Agencies for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Executive's attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding, and/or (iii) receiving an award for information provided to any Government Agency. Pursuant to 18 USC Section

1833(b), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, nothing in this Release is intended to or shall preclude Executive from providing truthful testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law. Nothing in this Agreement prevents you from making truthful disclosures regarding any allegedly unlawful workplace discrimination by the Company, including, but not limited to, harassment or sexual assault. Further, nothing in this Agreement restricts or impedes you from exercising protected rights, including any rights under the National Labor Relations Act (“NLRA”), to the extent that such rights cannot be waived by agreement, or from complying with any applicable law or regulation, and nothing in this Agreement prevents you from communicating with or assisting other employees or a union with matters that have been or may be brought before the NLRB to the extent authorized by the NLRA or other applicable law.

6. Miscellaneous.

(a) *Severability.* If any sentence, phrase, section, subsection or portion of this Release is found to be illegal or unenforceable, such action shall not affect the validity or enforceability of the remaining sentences, phrases, sections, subsections or portions of this Release, which shall remain fully valid and enforceable.

(b) *Headings.* The headings in this Release are provided solely for convenience, and are not intended to be part of, nor to affect or alter the interpretation or meaning of, this Release.

(c) *Construction of Agreement.* Executive has been represented by, or had the opportunity to be represented by, counsel in connection with the negotiation and execution of this Release. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Release.

(d) *Entire Agreement/Integration.* This Release, together with the Agreement and the Restrictive Covenant Agreement, which is attached to the Agreement as an exhibit, constitutes the entire agreement between Executive and the Company concerning the subject matter hereof. No covenants, agreements, representations, or warranties of any kind, other than those set forth herein, have been made to any party hereto with respect to this Release. All prior discussions and negotiations have been and are merged and integrated into, and are superseded by, this Release. No amendments to this Release will be valid unless written and signed by Executive and an authorized representative of the Company.

Sign only on or within [twenty-one (21)][forty-five (45) days after [DATE]

[EXECUTIVE]

Date: __

[NAME]

EverCommerce | 3601 Walnut Street, Suite 400, Denver, CO 80205 | evercommerce.com

EXHIBIT C

Inventions:

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: November 12, 2024

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: November 12, 2024

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 September 30, 2024 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: November 12, 2024

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 September 30, 2024 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: November 12, 2024

By:

/s/ Ryan H. Siurek

Ryan H. Siurek

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