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

# FORM 10-Q

(Mark One)

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

**For the quarterly period ended September 30, 2023**

**OR**

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

**For the transition period from __________ to __________**

**Commission File No. 001-37986**

# INTERNATIONAL MONEY EXPRESS, INC.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware** | **47-4219082** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **9480 South Dixie Highway**<br>**Miami, Florida** | **33156** |
| (Address of Principal Executive Offices) | (Zip Code) |

**(305) 671-8000**

(Registrant’s telephone number, including area code)

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 ($0.0001 par value) | IMXI | Nasdaq Capital Market |

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 2, 2023, there were 34,867,023 shares of the registrant’s common stock, $0.0001 par value per share, outstanding. The registrant has no other class of common stock outstanding.

**INTERNATIONAL MONEY EXPRESS, INC.**
**INDEX TO FINANCIAL STATEMENTS**

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q may contain certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act, as amended, which reflect our current views with respect to certain events that are not historical facts but could have an effect on our future performance, including but without limitation, statements regarding our plans, objectives, financial performance, business strategies, projected results of operations, and expectations for the business of the Company.

These statements may include and be identified by words or phrases such as, without limitation, “would,” “will,” “should,” “expects,” “believes,” “anticipates,” “continues,” “could,” “may,” “might,” “plans,” “possible,” “potential,” “predicts,” “projects,” “forecasts,” “intends,” “assumes,” “estimates,” “approximately,” “shall,” “our planning assumptions,” “future outlook,” “currently,” “target,” “guidance,” and similar expressions (including the negative and plural forms of such words and phrases). These forward-looking statements are based largely on information currently available to our management and on our current expectations, assumptions, plans, estimates, judgments, projections about our business and our industry, and macroeconomic conditions, and are subject to various risks, uncertainties, estimates, contingencies and other factors, many of which are outside our control, that could cause actual results to differ materially from those expected or implied by such forward-looking statements and could materially adversely affect our business, financial condition, results of operations, cash flows and liquidity. Factors that could cause or contribute to such differences include, but are not limited to, the following:

- changes in applicable laws or regulations;
- factors relating to our business, operations and financial performance, including:
  - the Company’s ability to successfully execute, manage, integrate and obtain the anticipated financial benefits of key acquisitions and mergers;
  - economic factors such as inflation, the level of economic activity, recession risks and labor market conditions, as well as rising interest rates;
  - public health conditions, responses thereto and the economic and market effects thereof;
  - competition in the markets in which we operate;
  - volatility in foreign exchange rates that could affect the volume of consumer remittance activity and/or affect our foreign exchange related gains and losses;
  - our ability to maintain favorable banking and agent relationships necessary to conduct our business;
  - credit risks from our agents and the financial institutions with which we do business;
  - bank failures, sustained financial illiquidity, or illiquidity at our clearing, cash management or custodial financial institutions;
  - new technology or competitors that disrupt the current ecosystem, including the introduction of new digital platforms;
  - cyber-attacks or disruptions to our information technology, computer network systems, data centers and mobile devices apps;
  - our ability to satisfy our debt obligations and remain in compliance with our credit facility requirements;
  - our success in developing and introducing new products, services and infrastructure;
  - consumer confidence in our brands and in consumer money transfers generally;
  - our ability to maintain compliance with applicable regulatory requirements;
  - international political factors, political stability, tariffs, border taxes or restrictions on remittances or transfers out of the outbound countries in which we operate;
  - currency restrictions and volatility in countries in which we operate or plan to operate;
  - consumer fraud and other risks relating to the authenticity of customers’ orders;
  - changes in immigration laws and their enforcement;
  - our ability to protect our brands and intellectual property rights;
  - weakness in U.S. or international economic conditions;
  - changes in tax laws in the countries in which we operate;
  - our ability to recruit and retain key personnel; and
- other economic, business and/or competitive factors, risks and uncertainties, including those described in the “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” sections in our Annual Report on Form 10-K for the year ended December 31, 2022.

All forward-looking statements that are made or attributable to us are expressly qualified in their entirety by this cautionary notice. The forward-looking statements included herein are only made as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**PART 1 – FINANCIAL INFORMATION**
**ITEM 1. FINANCIAL STATEMENTS**

**INTERNATIONAL MONEY EXPRESS, INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(in thousands, except for share data)**

| ASSETS | September 30, 2023 (unaudited) | December 31, 2022 |
|---|---|---|
| Current assets: | | |
| Cash and cash equivalents | $ 222,447 | $ 149,493 |
| Accounts receivable, net | 163,007 | 129,808 |
| Prepaid wires, net | 84,147 | 90,386 |
| Prepaid expenses and other current assets | 12,730 | 12,749 |
| Total current assets | 482,331 | 382,436 |
| | | |
| Property and equipment, net | 28,967 | 28,160 |
| Goodwill | 53,814 | 49,774 |
| Intangible assets, net | 19,358 | 19,826 |
| Other assets | 35,121 | 31,876 |
| Total assets | $ 619,591 | $ 512,072 |
| | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt, net | $ 6,616 | $ 4,975 |
| Accounts payable | 33,283 | 25,686 |
| Wire transfers and money orders payable, net | 159,858 | 112,251 |
| Accrued and other liabilities | 44,270 | 41,855 |
| Total current liabilities | 244,027 | 184,767 |
| Long-term liabilities: | | |
| Debt, net | 193,137 | 150,235 |
| Lease liabilities, net | 22,465 | 23,272 |
| Deferred tax liability, net | 2,324 | 3,892 |
| Total long-term liabilities | 217,926 | 177,399 |
| | | |
| Commitments and contingencies, see Note 16 | | |
| | | |
| Stockholders' equity: | | |
| Common stock $0.0001 par value; 230,000,000 shares authorized, 39,626,532 and 39,453,236 shares issued and 35,069,785 and 36,630,970 shares outstanding as of September 30, 2023 and December 31, 2022, respectively. | 4 | 4 |
| Additional paid-in capital | 76,404 | 70,210 |
| Retained earnings | 181,150 | 139,134 |
| Accumulated other comprehensive income (loss) | 1 | (142) |
| Treasury stock, at cost; 4,556,747 and 2,822,266 shares as of September 30, 2023 and December 31, 2022, respectively. | (99,921) | (59,300) |
| Total stockholders' equity | 157,638 | 149,906 |
| Total liabilities and stockholders' equity | $ 619,591 | $ 512,072 |

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

**INTERNATIONAL MONEY EXPRESS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**
**(in thousands, except for share data, unaudited)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | |
| Wire transfer and money order fees, net | $ 147,387 | $ 120,718 | $ 416,355 | $ 336,340 |
| Foreign exchange gain, net | 22,688 | 18,851 | 64,239 | 52,719 |
| Other income | 2,362 | 1,198 | 6,358 | 3,309 |
| Total revenues | 172,437 | 140,767 | 486,952 | 392,368 |
| Operating expenses: | | | | |
| Service charges from agents and banks | 112,871 | 93,658 | 319,983 | 262,717 |
| Salaries and benefits | 18,607 | 13,853 | 52,415 | 36,911 |
| Other selling, general and administrative expenses | 13,235 | 10,232 | 37,210 | 24,964 |
| Depreciation and amortization | 3,472 | 2,278 | 9,511 | 6,712 |
| Total operating expenses | 148,185 | 120,021 | 419,119 | 331,304 |
| Operating income | 24,252 | 20,746 | 67,833 | 61,064 |
| Interest expense | 2,801 | 1,466 | 7,643 | 3,530 |
| Income before income taxes | 21,451 | 19,280 | 60,190 | 57,534 |
| Income tax provision | 6,619 | 2,654 | 18,174 | 13,270 |
| Net income | 14,832 | 16,626 | 42,016 | 44,264 |
| Other comprehensive income (loss) | (214) | (150) | 142 | (139) |
| Comprehensive income | $ 14,618 | $ 16,476 | $ 42,158 | $ 44,125 |
| Earnings per common share: | | | | |
| Basic | $ 0.42 | $ 0.44 | $ 1.17 | $ 1.16 |
| Diluted | $ 0.41 | $ 0.43 | $ 1.14 | $ 1.14 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 35,320,809 | 37,390,632 | 35,930,234 | 37,999,709 |
| Diluted | 36,082,163 | 38,425,868 | 36,767,680 | 38,907,283 |

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

**INTERNATIONAL MONEY EXPRESS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS’ EQUITY**
**(in thousands, except for share data, unaudited)**

| | Three Months Ended September 30, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Common Stock | | Treasury Stock | | | | | |
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income | Total Stockholders’ Equity |
| Balance, June 30, 2023 | 39,571,073 | $ 4 | (4,054,847) | $ (89,815) | $ 74,103 | $ 166,318 | $ 215 | $ 150,825 |
| Net income | — | — | — | — | — | 14,832 | — | 14,832 |
| Issuance of common stock: | | | | | | | | |
| Exercise of stock options, net of shares withheld for taxes | 11,250 | — | — | — | 134 | — | — | 134 |
| Restricted stock units and awards, net of shares withheld for taxes | 43,388 | — | — | — | (107) | — | — | (107) |
| Fully vested shares | 821 | — | — | — | — | — | — | — |
| Share-based compensation | — | — | — | — | 2,274 | — | — | 2,274 |
| Adjustment from foreign currency translation, net | — | — | — | — | — | — | (214) | (214) |
| Acquisition of treasury stock, at cost | — | — | (501,900) | (10,106) | — | — | — | (10,106) |
| Balance, September 30, 2023 | 39,626,532 | $ 4 | (4,556,747) | $ (99,921) | $ 76,404 | $ 181,150 | $ 1 | $ 157,638 |

| | Three Months Ended September 30, 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Common Stock | | Treasury Stock | | | | | |
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Total Stockholders’ Equity |
| Balance, June 30, 2022 | 39,011,042 | $ 4 | (1,069,423) | $ (19,194) | $ 70,012 | $ 109,441 | $ (65) | $ 160,198 |
| Net income | — | — | | — | — | 16,626 | — | 16,626 |
| Issuance of common stock: | | | | | | | | |
| Exercise of stock options, net of shares withheld for taxes | 377,589 | — | — | — | (4,162) | — | — | (4,162) |
| Restricted stock units and awards, net of shares withheld for taxes | 27,664 | — | — | — | (18) | — | — | (18) |
| Fully vested shares | 782 | — | — | — | — | — | — | — |
| Share-based compensation | — | — | — | — | 2,625 | — | — | 2,625 |
| Adjustment from foreign currency translation, net | — | — | — | — | — | — | (150) | (150) |
| Acquisition of treasury stock, at cost | — | — | (1,287,714) | (30,106) | — | — | — | (30,106) |
| Balance, September 30, 2022 | 39,417,077 | $ 4 | (2,357,137) | $ (49,300) | $ 68,457 | $ 126,067 | $ (215) | $ 145,013 |

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

**INTERNATIONAL MONEY EXPRESS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)**
**(in thousands, except for share data, unaudited)**

| | Nine Months Ended September 30, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Common Stock | | Treasury Stock | | | | | |
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income | Total Stockholders' Equity |
| Balance, December 31, 2022 | 39,453,236 | $ 4 | (2,822,266) | $ (59,300) | $ 70,210 | $ 139,134 | $ (142) | $ 149,906 |
| Net income | — | — | — | — | — | 42,016 | — | 42,016 |
| Issuance of common stock: | | | | | | | | |
| Exercise of stock options, net of shares withheld for taxes | 78,500 | — | — | — | 956 | — | — | 956 |
| Restricted stock units and awards, net of shares withheld for taxes | 92,368 | — | — | — | (979) | — | — | (979) |
| Fully vested shares | 2,428 | — | — | — | — | — | — | — |
| Share-based compensation | — | — | — | — | 6,217 | — | — | 6,217 |
| Adjustment from foreign currency translation, net | — | — | — | — | — | — | 142 | 142 |
| Acquisition of treasury stock, at cost | — | — | (1,734,481) | (40,621) | — | — | — | (40,621) |
| Balance, September 30, 2023 | 39,626,532 | $ 4 | (4,556,747) | $ (99,921) | $ 76,404 | $ 181,150 | $ 1 | $ 157,638 |

| | Nine Months Ended September 30, 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Common Stock | | Treasury Stock | | | | | |
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Total Stockholders' Equity |
| Balance, December 31, 2021 | 38,820,222 | $ 4 | (341,522) | $ (5,566) | $ 66,875 | $ 81,803 | $ (76) | $ 143,040 |
| Net income | — | — | — | — | — | 44,264 | — | 44,264 |
| Issuance of common stock: | | | | | | | | |
| Exercise of stock options, net of shares withheld for taxes | 451,304 | — | — | — | (3,675) | — | — | (3,675) |
| Restricted stock units and awards, net of shares withheld for taxes | 142,991 | — | — | — | (301) | — | — | (301) |
| Fully vested shares | 2,560 | — | — | — | — | — | — | — |
| Share-based compensation | — | — | — | — | 5,558 | — | — | 5,558 |
| Adjustment from foreign currency translation, net | — | — | — | — | — | — | (139) | (139) |
| Acquisition of treasury stock, at cost | — | — | (2,015,615) | (43,734) | — | — | — | (43,734) |
| Balance, September 30, 2022 | 39,417,077 | $ 4 | (2,357,137) | $ (49,300) | $ 68,457 | $ 126,067 | $ (215) | $ 145,013 |

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

**INTERNATIONAL MONEY EXPRESS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(in thousands, unaudited)**

| | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income | $ 42,016 | $ 44,264 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 9,511 | 6,712 |
| Share-based compensation | 6,217 | 5,558 |
| Provision for credit losses | 3,770 | 2,022 |
| Fair value of contingent consideration | (121) | — |
| Debt origination costs amortization | 829 | 752 |
| Deferred income tax benefit, net | (959) | (1,376) |
| Non-cash lease expense | 5,965 | 1,631 |
| Loss on disposal of property and equipment | 1,479 | 633 |
| Total adjustments | 26,691 | 15,932 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | (36,190) | (34,864) |
| Prepaid wires, net | 12,037 | (47,099) |
| Prepaid expenses and other assets | (3,353) | (828) |
| Wire transfers and money orders payable, net | 39,740 | 18,158 |
| Lease liabilities | (5,424) | (2,013) |
| Accounts payable and accrued and other liabilities | 6,923 | (3,398) |
| Net cash provided by (used in) operating activities | 82,440 | (9,848) |
| | | |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (7,711) | (9,155) |
| Cash used in business acquisition, net of cash and cash equivalents acquired | (5,477) | — |
| Acquisition of agent locations | — | (225) |
| Net cash used in investing activities | (13,188) | (9,380) |
| | | |
| Cash flows from financing activities: | | |
| Repayments of term loan facility | (3,828) | (3,281) |
| Borrowings under revolving credit facility, net | 48,000 | 43,000 |
| Debt origination costs | (701) | — |
| Proceeds from exercise of stock options | 956 | 1,374 |
| Payments for stock awards | (979) | (5,349) |
| Repurchases of common stock | (40,621) | (43,734) |
| Net cash provided by (used in) financing activities | 2,827 | (7,990) |
| | | |
| Effect of exchange rate changes on cash and cash equivalents | 875 | (204) |
| | | |
| Net increase (decrease) in cash and cash equivalents | 72,954 | (27,422) |
| | | |
| Cash and cash equivalents, beginning of period | 149,493 | 132,474 |
| | | |
| Cash and cash equivalents, end of period | $ 222,447 | $ 105,052 |

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

**INTERNATIONAL MONEY EXPRESS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**
**(in thousands, unaudited)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ 6,737 | $ 2,773 |
| Cash paid for income taxes | $ 18,981 | $ 19,692 |
| | | |
| **Supplemental disclosure of non-cash investing activities:** | | |
| Lease liabilities arising from obtaining right-of-use assets | $ 5,325 | $ 6,033 |
| Right-of-use asset adjustments due to lease modifications | $ — | $ 1,124 |
| Contingent consideration liability | $ 600 | $ — |
| Settlement of receivable balance from LAN Holdings | $ 2,534 | $ — |
| | | |
| **Supplemental disclosure of non-cash financing activities:** | | |
| Issuance of common stock for cashless exercise of options | $ — | $ 9,175 |

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

**INTERNATIONAL MONEY EXPRESS, INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
(Unaudited)

NOTE 1 – BUSINESS AND ACCOUNTING POLICIES

International Money Express, Inc. (the “Company” or “us” or “we”) operates as a money transmitter between the United States of America (“United States” or “U.S.”), Canada, Spain, Italy and Germany to Mexico, Guatemala and other countries in Latin America, Africa, Asia and Europe through a network of authorized agents located in various unaffiliated retail establishments and 124 Company-operated stores throughout the United States, Canada, Spain, Italy and Germany.

The condensed consolidated financial statements of the Company include International Money Express, Inc. and its majority-owned subsidiaries. The condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). All significant inter-company balances and transactions have been eliminated from the condensed consolidated financial statements.

The Company’s interim condensed consolidated financial statements and related notes are unaudited. In the opinion of management, all adjustments (including normal recurring adjustments) and disclosures necessary for a fair presentation of these interim condensed consolidated financial statements have been included. The results reported in these interim condensed consolidated financial statements are not necessarily indicative of the results that may be reported for the entire year. Certain information and footnote disclosures required by GAAP have been condensed or omitted. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

In March 2022, the Company entered into a definitive purchase agreement to acquire Envios de Valores La Nacional Corp. (“La Nacional”) and LAN Holdings, Corp. (“LAN Holdings”), which either directly or indirectly operate as money remittance companies in the United States, Canada and certain countries in Europe. The acquisition of La Nacional was closed effective November 1, 2022 and the acquisition of LAN Holdings was closed effective April 5, 2023. Refer to Note 2 for additional information on these acquisitions.

Concentrations

The Company maintains certain of its cash balances in various U.S. banks, which at times, may exceed federally insured limits. The Company has not incurred any losses on these accounts. In addition, the Company maintains various bank accounts in Mexico, Guatemala, Canada and certain countries in Europe, which may not be fully insured. During the three and nine months ended September 30, 2023, the Company has not incurred any losses on these uninsured foreign bank accounts.

In addition, a substantial portion of our paying agents are concentrated in a few large banks and financial institutions and large retail chains in Latin American countries.

Accounting Pronouncements

The FASB issued guidance, ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires entities to apply Topic 606: Revenue from Contracts with Customers to recognize and measure contract assets and contract liabilities in a business combination. This guidance improves comparability after the business combination by providing consistent recognition and measurement guidance for revenue contracts with customers acquired in a business combination and revenue contracts with customers not acquired in a business combination. The Company adopted this guidance on January 1, 2023 prospectively for business combinations that occur after the adoption date. The adoption of this accounting standard did not have a material impact on the Company’s condensed consolidated financial statements.

NOTE 2 – ACQUISITIONS

Envios de Valores La Nacional Corp.

On November 1, 2022, the Company completed the acquisition of 100% of the voting interest of La Nacional (the “La Nacional Acquisition”) and on April 5, 2023, the Company completed the acquisition of 100% of the voting interest of LAN Holdings (the “LAN Acquisition”) (the “LAN Acquisition,” and together with the La Nacional Acquisition, the “Acquisitions”). See “LAN Holdings, Corp.” section below.

The Company paid cash consideration of $39.7 million upon consummation of the La Nacional Acquisition (subject to customary purchase price adjustments) and could be required to pay up to $2.4 million in contingent consideration in 2023 as a result of La Nacional achieving certain transaction volume and financial targets during 2023. The contingent consideration fair value as of September 30, 2023 and

December 31, 2022 was approximately $1.2 million and $1.3 million, respectively. During the nine months ended September 30, 2023, the Company recorded a fair value adjustment of $0.1 million (none in the three months ended September 30, 2023) based on the expected achievement of the financial targets.

The following table summarizes the fair values of consideration transferred and identifiable net assets acquired in the La Nacional Acquisition on November 1, 2022, the measurement period adjustments in the nine months ended September 30, 2023 and the fair values of consideration transferred and identifiable net assets acquired as of September 30, 2023.

| | November 1, 2022 (As initially reported) | Measurement Period Adjustments | September 30, 2023 (As Adjusted) |
|---|---|---|---|
| Assets acquired: | | | |
| Cash and cash equivalents | $ 39,569 | $ — | $ 39,569 |
| Accounts receivable | 16,504 | — | 16,504 |
| Prepaid wires | 571 | — | 571 |
| Prepaid expenses and other current assets | 1,219 | 430 | 1,649 |
| Property and equipment | 4,077 | — | 4,077 |
| Intangible assets | 8,450 | — | 8,450 |
| Other assets | 13,659 | — | 13,659 |
| Total identifiable assets acquired | $ 84,049 | $ 430 | $ 84,479 |
| Liabilities assumed: | | | |
| Accounts payable | $ (1,260) | $ — | $ (1,260) |
| Wire transfers and money orders payable | (35,595) | — | (35,595) |
| Accrued and other liabilities | (3,651) | 366 | (3,285) |
| Lease liabilities | (13,067) | — | (13,067) |
| Deferred tax liability | (2,969) | 700 | (2,269) |
| Total liabilities assumed | $ (56,542) | $ 1,066 | $ (55,476) |
| Net identifiable assets acquired | $ 27,507 | $ 1,496 | $ 29,003 |
| Consideration transferred | $ 41,021 | $ — | $ 41,021 |
| Goodwill | $ 13,514 | $ (1,496) | $ 12,018 |

Restructuring costs

During the third quarter of 2023, the Company implemented a Restructuring Plan (the "Plan") for La Nacional. The objectives were to reorganize the workforce, streamline operational processes as well as develop efficiencies within the Company. The Plan contemplated a reduction of La Nacional's workforce due to closing of operations, and surrendering of money transmitter licenses in certain states, termination of selected sending agents, centralization of functions at the consolidated Company level and closing of certain facilities.

For the three months ended September 30, 2023, the Company incurred $1.1 million in expenses related to the Plan. These expenses include approximately $0.8 million in severance payments and related benefits included in salaries and benefits in the condensed consolidated statement of income and comprehensive income, $0.3 million in computer equipment write-offs, $38 thousand for the early termination of a lease agreement and $31 thousand in legal fees related to the surrender of money transmitter licenses within states where La Nacional will no longer operate, which are included in other selling, general and administrative expenses in the condensed consolidated statement of income and comprehensive income.

The Company has paid out the above charges during the three months ended September 30, 2023 and does not have a liability recorded as of September 30, 2023.

LAN Holdings, Corp.

On April 5, 2023, the Company completed the acquisition of 100% of the voting interest of LAN Holdings. LAN Holdings provides the Company the opportunity to enter into markets in which it did not have a presence previously, such as the ability to provide outbound remittance services from Spain, Italy, and Germany.

The total consideration transferred by the Company in connection with the LAN Acquisition was $13.4 million, which included $10.3 million in cash, subject to customary purchase price adjustments. The Company will also pay an additional $0.6 million in cash as a result of LAN Holdings' achievement of certain operational milestones during 2023, which the parties have agreed have been achieved; accordingly, the earn-out will be paid under the terms of the definitive purchase agreement. Prior to the acquisition, the Company maintained a receivable balance of approximately $2.5 million related to money transfers paid by the Company on behalf of LAN Holdings. Upon the closing of the LAN Acquisition, the receivable balance was effectively settled and, therefore, included in the determination of the total consideration transferred. The LAN Acquisition was funded with cash on hand.

The following table summarizes the fair values of consideration transferred and identifiable net assets acquired in the LAN Acquisition on April 5, 2023, the measurement period adjustments in the nine months ended September 30, 2023 and the fair values of consideration transferred and identifiable net assets acquired as of September 30, 2023.

| | **April 5, 2023 (As initially reported)** | **Measurement Period Adjustments** | **September 30, 2023 (As Adjusted)** |
|---|---|---|---|
| Assets acquired: | | | |
| Cash and cash equivalents | 4,721 | — | 4,721 |
| Accounts receivable | 3,643 | — | 3,643 |
| Prepaid wires | 4,613 | — | 4,613 |
| Prepaid expenses and other current assets | 353 | — | 353 |
| Property and equipment | 351 | — | 351 |
| Intangible assets | 3,200 | — | 3,200 |
| Other assets | 877 | — | 877 |
| Total identifiable assets acquired | 17,758 | — | 17,758 |
| Liabilities assumed: | | | |
| Accounts payable | (1,010) | — | (1,010) |
| Wire transfers and money orders payable | (6,645) | — | (6,645) |
| Accrued and other liabilities | (747) | (689) | (1,436) |
| Lease liabilities | (758) | — | (758) |
| Deferred tax liability | (91) | — | (91) |
| Total liabilities assumed | (9,251) | (689) | (9,940) |
| Net identifiable assets acquired | 8,507 | (689) | 7,818 |
| Consideration transferred | 13,354 | — | 13,354 |
| Goodwill | 4,847 | 689 | 5,536 |

The goodwill balance for the LAN Acquisition represents the estimated values of the Company's geographic presence in key markets, assembled workforce, management team's industry-specific knowledge and synergies expected to be achieved from the combined operations of LAN Holdings and the Company. Goodwill resulting from the LAN Acquisition is not deductible for tax purposes.

Amortizing intangible assets related to the LAN Acquisition are primarily composed of agent relationships, a trade name and non-competition agreements, which had weighted average lives of approximately 15 years, 10 years and 5 years, respectively, and are based on LAN Holdings' operational history and established relationships with, and the nature of, its customers. The weighted average life of amortizing intangible assets for LAN Acquisition was 14.95 years in the aggregate. These intangible assets are amortized utilizing an accelerated method over their estimated useful lives, which is a manner consistent with the pattern in which the related benefits are expected to be consumed. The acquisition date fair value of the agent relationships, trade name and non-competition agreement intangibles was $2.9 million, $0.3 million and $10.0 thousand, respectively.

The agent relationships intangible represents the network of independent sending agents. This intangible was valued using the excess earnings method, which was based on the Company's forecasts and historical activity at agent locations in order to develop a turnover rate and expected economic useful life. Assuming a year-over-year location turnover rate of 20.0%, this resulted in an expected useful life for this intangible of 15 years.

Trade name refers to the I-Transfer name, branded on all agent locations and recognized in the market. This fair value was determined using the relief-from-royalty method, which is based on the Company's expected revenues and a royalty rate estimated using comparable market data. The Company determined it was appropriate to assign a finite useful life of 10 years to the trade name to provide better matching of the amortization expense during the period of expected benefits.

The definitive purchase agreement to acquire La Nacional and LAN Holdings entered into by the Company includes non-competition provisions agreed to by the former owner and two key members of management of La Nacional. The fair value of these intangibles was valued using the "with and without" method, which estimated the value of an asset based on the difference in the value of the business's cash flows "with" and "without" that asset. The Company assigned useful lives of up to 5 years for these intangibles, which matches the contractual term of the non-competition agreements.

The LAN Holdings results of operations have been included in the Company's results of operations from the date of its acquisition. The Company's condensed consolidated statement of income and comprehensive income includes $6.1 million and $0.1 million of revenue and net loss for the three months ended September 30, 2023, and $10.9 million and $0.1 million of revenue and net loss for the nine months ended September 30, 2023, respectively, from LAN Holdings.

Transaction Costs

Transaction costs include all internal and external costs directly related to the Company's acquisition activity, consisting primarily of legal, consulting, accounting and financial advisory fees. Transaction costs for the three and nine months ended September 30, 2023 amounted to $13.0 thousand and $0.4 million, respectively, and are included in other selling, general and administrative expenses on the condensed consolidated statement of income and comprehensive income. Transaction costs for the three and nine months ended September 30, 2022 amounted to $0.3 million and $0.5 million respectively.

Supplemental Pro Forma Financial Information

For the three and nine months ended September 30, 2023 and 2022, unaudited supplemental pro forma revenue and net income is shown below.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Total revenues | $ 172,437 | $ 144,463 | $ 492,379 | $ 403,453 |
| Net income | $ 14,980 | $ 16,690 | $ 42,357 | $ 44,455 |

These unaudited pro forma financial results include the results of operations of LAN Holdings as if it had been consolidated as of January 1, 2022, the beginning of the year prior to its acquisition, and are provided for illustrative purposes only. These unaudited pro forma financial results do not purport to be indicative of the actual results that would have been achieved by the combined companies for the periods indicated, or of the results that may be achieved by the combined companies in the future. The Company's unaudited pro forma financial results were prepared by adding the unaudited historical results of the acquired business to the historical results of the Company, and then adjusting those combined results for transaction costs of $13.0 thousand and $0.4 million for the three and nine months ended September 30, 2023, respectively, and the incremental depreciation and amortization expense related to the property and equipment and intangible assets acquired. Transaction costs were included in the pro forma results for the three and nine months ended September 30, 2022 but removed from the pro forma results for the three and nine months ended September 30, 2023. These unaudited pro forma financial results do not include adjustments to reflect other cost savings or synergies that may have resulted from this acquisition. Future results may vary significantly due to future events and other factors, many of which are beyond the Company's control.

NOTE 3 – REVENUES

The Company recognized revenues from contracts with customers for the three and nine months ended September 30, 2023 and 2022, as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Wire transfer and money order fees | $ 148,157 | $ 121,218 | $ 418,416 | $ 337,757 |
| Discounts and promotions | (770) | (500) | (2,061) | (1,417) |
| Wire transfer and money order fees, net | 147,387 | 120,718 | 416,355 | 336,340 |
| Foreign exchange gain, net | 22,688 | 18,851 | 64,239 | 52,719 |
| Other income | 2,362 | 1,198 | 6,358 | 3,309 |
| Total revenues | $ 172,437 | $ 140,767 | $ 486,952 | $ 392,368 |

There are no significant initial costs incurred to obtain contracts with customers, although the Company has a loyalty program under which customers in the United States earn one point for each wire transfer completed. Points can be redeemed for a discounted wire transaction fee or a foreign exchange rate that is more favorable to the customer. The customer benefits vary by country, and the earned points expire if the customer has not initiated and completed an eligible wire transfer transaction within the immediately preceding 180-day period. In addition, earned points will expire 30 days after the end of the program. Because the loyalty program benefits represent a future performance obligation, a portion of the initial consideration is recorded as deferred revenue loyalty program (see Note 9) and a corresponding loyalty program expense is recorded as contra revenue. Revenue from this performance obligation is recognized upon customers redeeming points or upon expiration of any points outstanding.

Except for the loyalty program discussed above, our revenues include only one performance obligation, which is to collect the consumer's money and make funds available for payment, generally on the same day, to a designated recipient in the currency requested.

The Company also offers several other services, including money orders and check cashing through its sending agents, for which revenue is derived from a fee per transaction. For substantially all of the Company's revenues, the Company acts as principal in the transaction and reports revenue on a gross basis because the Company controls the service at all times prior to transfer to the customer, is primarily responsible for fulfilling the customer contracts, has the risk of loss and has the ability to establish transaction prices.

Wire transfers and money order fees include money order fees of $0.5 million and $0.4 million for the three months ended September 30, 2023 and 2022, respectively, and $1.7 million and $1.2 million for the nine months ended September 30, 2023 and 2022, respectively.

NOTE 4 – ACCOUNTS RECEIVABLE AND AGENT ADVANCES RECEIVABLE, NET OF ALLOWANCE

Accounts Receivable

Accounts receivable represents primarily outstanding balances from sending agents for pending wire transfers or money orders from consumers. The outstanding balance of accounts receivable, net of allowance for credit losses, consists of the following (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Accounts receivable | $ 165,645 | $ 132,363 |
| Allowance for credit losses | (2,638) | (2,555) |
| Accounts receivable, net | $ 163,007 | $ 129,808 |

Agent Advances Receivable

Agent advances receivable, net of allowance for credit losses, from sending agents is as follows (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Agent advances receivable, current | $ 1,730 | $ 1,373 |
| Allowance for credit losses | (92) | (62) |
| Net current | $ 1,638 | $ 1,311 |
| | | |
| Agent advances receivable, long-term | $ 2,640 | $ 1,423 |
| Allowance for credit losses | (101) | (31) |
| Net long-term | $ 2,539 | $ 1,392 |

The net current portion of agent advances receivable is included in prepaid expenses and other current assets, and the net long-term portion is included in other assets in the condensed consolidated balance sheets (see Note 5). Some agent advances receivable have interest rates ranging from 0% to 10.0% per annum. The Company had an immaterial amount of accrued interest receivable as of September 30, 2023 and December 31, 2022, which was included in the allowance for credit losses calculation. At September 30, 2023 and December 31, 2022, there were $4.4 million and $2.8 million, respectively, of agent advances receivable collateralized by personal guarantees from sending agents and assets from their businesses in case of a default by the agent.

The maturities of agent advances receivable at September 30, 2023 are as follows (in thousands):

| | Unpaid Advance Balance |
|---|---|
| Under 1 year | $ 1,730 |
| Between 1 and 2 years | 2,105 |
| More than 2 years | 535 |
| Total | $ 4,370 |

Allowance for Credit Losses

The changes in the allowance for credit losses related to accounts receivable and agent advances receivable are as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Beginning balance | $ 2,690 | $ 2,442 | $ 2,648 | $ 2,249 |
| Provision | 1,830 | 525 | 3,770 | 2,022 |
| Charge-offs | (1,760) | (700) | (4,194) | (2,202) |
| Recoveries | 190 | 117 | 726 | 315 |
| Other | (119) | — | (119) | — |
| Ending Balance | $ 2,831 | $ 2,384 | $ 2,831 | $ 2,384 |

The allowance for credit losses allocated by financial instrument category is as follows (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Accounts receivable | $ 2,638 | $ 2,555 |
| Agent advances receivable | 193 | 93 |
| Allowance for credit losses | $ 2,831 | $ 2,648 |

NOTE 5 – PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other current assets consisted of the following (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Prepaid insurance | $ 1,421 | $ 1,578 |
| Prepaid fees and services | 1,879 | 1,986 |
| Agent incentives advances | 1,307 | 1,014 |
| Agent advances receivable, net of allowance | 1,638 | 1,311 |
| Tenant allowance | 2,815 | 3,753 |
| Prepaid income taxes | 2,618 | 2,130 |
| Prepaid expenses and current assets - other | 1,052 | 977 |
| | $ 12,730 | $ 12,749 |

Other assets consisted of the following (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Revolving line origination fees | $ 1,820 | $ 1,578 |
| Agent incentives advances | 2,585 | 1,062 |
| Agent advances receivable, net of allowance | 2,539 | 1,392 |
| Right-of-use assets, net | 23,222 | 24,768 |
| Funds held by seized banking entities, net of allowance | 1,833 | 1,646 |
| Other assets | 3,122 | 1,430 |
| | $ 35,121 | $ 31,876 |

Prior to 2022, local banking regulators in Mexico resolved to close and liquidate a local financial institution, citing a lack of compliance with minimum capital requirements. The Company has approximately $5.2 million of exposure from deposits it held with this bank when it was closed. In accordance with the banking regulations in Mexico, large depositors such as the Company will be paid once the assets of the financial institution are liquidated. Currently, it is difficult to predict the length of the liquidation process or if the proceeds from the asset liquidation will be sufficient to recover any of the Company's funds on deposit. The Company maintains a valuation allowance of approximately $3.6 million in connection with the balance of deposits held by the financial institution as a result of its closure.

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS

Goodwill and the majority of intangible assets on the condensed consolidated balance sheets of the Company were recognized from business acquisitions. Intangible assets on the condensed consolidated balance sheets of the Company consist of agent relationships, trade names, developed technology and other intangible assets. Agent relationships, trade names and developed technology are amortized over their estimated useful lives of up to 15 years using an accelerated method that correlates with the projected realization of the benefit. The agent relationships intangible represents the network of independent sending agents; trade names refers to the Intermex, La Nacional and I-Transfer names, branded on all applicable agent locations and well recognized in the market; and developed technology includes the state-of-the-art system that the Company has continued to develop and improve over the past 20 years. Other intangible assets relate to the acquisition of Company-operated stores, which are amortized on a straight line basis over 10 years, and non-competition agreements, which are amortized over the length of the agreement, typically 5 years. The determination of our intangible fair values includes several assumptions that are subject to various risks and uncertainties. Management believes it has made reasonable estimates and judgments concerning these risks and uncertainties, and no impairment charges were determined necessary to be recognized during the three and nine months ended September 30, 2023.

The following table presents the changes in goodwill and intangible assets (in thousands):

| | Goodwill | Intangibles |
|---|---|---|
| Balance at December 31, 2022 | $ 49,774 | $ 19,826 |
| Measurement period adjustment (Refer to Note 2) | (807) | — |
| Acquisition of LAN Holdings | 4,847 | 3,200 |
| Amortization expense | — | (3,668) |
| Balance at September 30, 2023 | $ 53,814 | $ 19,358 |

Amortization expense related to intangible assets for the remainder of 2023 and thereafter is as follows (in thousands):

| | |
|---|---|
| 2023 | $ 1,215 |
| 2024 | 3,965 |
| 2025 | 3,156 |
| 2026 | 2,521 |
| 2027 | 2,023 |
| Thereafter | 6,478 |
| | $ 19,358 |

NOTE 7 – LEASES

To conduct certain of our operations, the Company is a party to leases for office space, warehouses and Company-operated store locations. In December 2022, the Company entered into a lease agreement, which expires in 2033, for its new headquarters to accommodate its growing workforce. The Company expects to complete the move to the new headquarters at the end of 2023 following the completion of leasehold improvements. The new lease agreement provides for the Company to receive a tenant allowance amounting to approximately $3.8 million through the construction period and the Company will commence making monthly lease payments on November 1, 2024. Such tenant allowance has been recorded within prepaid expenses and other current assets in the condensed consolidated balance sheet.

The presentation of right-of-use assets and lease liabilities in the condensed consolidated balance sheet is as follows (in thousands):

| **Leases** | **Classification** | **September 30, 2023** | **December 31, 2022** |
|---|---|---|---|
| **Assets** | | | |
| Right-of-use assets | Other assets(1) | $ 23,222 | $ 24,768 |
| **Total leased assets** | | $ 23,222 | $ 24,768 |
| | | | |
| **Liabilities** | | | |
| Current | | | |
| Operating | Accrued and other liabilities | $ 5,155 | $ 5,258 |
| Noncurrent | | | |
| Operating | Lease liabilities | 22,465 | 23,272 |
| **Total Lease liabilities** | | $ 27,620 | $ 28,530 |

(1) Operating right-of-use assets are recorded net of accumulated amortization of $8.9 million and $5.6 million as of September 30, 2023 and December 31, 2022, respectively.

Lease expense for the three and nine months ended September 30, 2023 and 2022, was as follows (in thousands):

| | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|
| **Lease Cost** | **Classification** | **2023** | **2022** | **2023** | **2022** |
| Operating lease cost | Other selling, general and administrative expenses | $ 1,891 | $ 632 | $ 5,965 | $ 1,631 |

As of September 30, 2023 and December 31, 2022, the Company's weighted-average remaining lease terms on its operating leases is 6.5 and 6.6 years, and the Company's weighted-average discount rate is 5.95% and 5.67%, respectively, which is the Company's incremental borrowing rate. The Company used its incremental borrowing rate for all leases, as none of the Company's lease agreements provide a readily determinable implicit rate.

**Lease Payments**

Future minimum lease payments for assets under non-cancelable operating lease agreements with original terms of more than one year for the remainder of 2023 and thereafter are as follows (in thousands):

| | |
|---|---|
| 2023 | $ 1,565 |
| 2024 | 5,892 |
| 2025 | 6,327 |
| 2026 | 4,933 |
| 2027 | 3,610 |
| Thereafter | 14,977 |
| Total lease payments | 37,304 |
| Less: Imputed interest | (9,684) |
| Present value of lease liabilities | $ 27,620 |

NOTE 8 – WIRE TRANSFERS AND MONEY ORDERS PAYABLE, NET

Wire transfers and money orders payable, net consisted of the following (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Wire transfers payable, net | $ 99,706 | $ 55,572 |
| Customer voided wires payable | 29,575 | 27,236 |
| Money orders payable | 30,577 | 29,443 |
| | $ 159,858 | $ 112,251 |

Customer voided wires payable consist primarily of wire transfers that were not completed because the recipient did not collect the funds within 30 days and the sender has not claimed the funds and, therefore, are considered unclaimed property. Unclaimed property laws of each state in the United States in which we operate, the District of Columbia, and Puerto Rico require us to track certain information for all of our money remittances and payment instruments and, if the funds underlying such remittances and instruments are unclaimed at the end of an applicable statutory abandonment period, require us to remit the proceeds of the unclaimed property to the appropriate jurisdiction. Applicable statutory abandonment periods range from three to seven years.

NOTE 9 – ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities consisted of the following (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Commissions payable to sending agents | $ 19,981 | $ 19,141 |
| Accrued salaries and benefits | 4,157 | 5,578 |
| Accrued bank charges | 1,350 | 1,644 |
| Accrued other professional fees | 1,606 | 1,169 |
| Accrued taxes | 2,038 | 1,329 |
| Lease liabilities, current portion | 5,155 | 5,258 |
| Contingent consideration liability | 1,800 | 1,321 |
| Deferred revenue loyalty program | 4,667 | 4,212 |
| Other | 3,516 | 2,203 |
| | $ 44,270 | $ 41,855 |

The following table shows the changes in the deferred revenue loyalty program liability (in thousands):

| | |
|---|---|
| Balance, December 31, 2022 | $ 4,212 |
| Revenue deferred during the period | 2,391 |
| Revenue recognized during the period | (1,936) |
| Balance, September 30, 2023 | $ 4,667 |

NOTE 10 – DEBT

Debt consisted of the following (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Revolving credit facility | $ 124,000 | $ 76,000 |
| Term loan facility | 77,109 | 80,938 |
| | 201,109 | 156,938 |
| Less: Current portion of long-term debt (1) | (6,616) | (4,975) |
| Less: Debt origination costs | (1,356) | (1,728) |
| | $ 193,137 | $ 150,235 |

(1) Current portion of long-term debt is net of debt origination costs of approximately $0.5 million both at September 30, 2023 and December 31, 2022, respectively.

The Company and certain of its domestic subsidiaries as borrowers and the other guarantors from time to time party thereto (collectively, the “Loan Parties”) entered into an Amended and Restated Credit Agreement (the “A&R Credit Agreement”) with a group of banking institutions. The A&R Credit Agreement amended and restated in its entirety the Company’s previous credit agreement. The A&R Credit Agreement provided for a $150.0 million revolving credit facility, an $87.5 million term loan facility and an uncommitted incremental facility, which may be utilized for additional revolving or term loans, of up to $70.0 million. The A&R Credit Agreement also provides for the issuance of letters of credit, which would reduce availability under the revolving credit facility. The proceeds of the term loan were used to refinance the existing term loan facility under the Company’s previous credit agreement, and the revolving credit facility is available for working capital, general corporate purposes and to pay fees and expenses in connection with this transaction. The maturity date of the A&R Credit Agreement is June 24, 2026.

On November 11, 2022, the Loan Parties entered into a First Amendment Agreement (the “First Amendment”) to the A&R Credit Agreement. The Amendment replaces LIBOR as a benchmark interest rate for loans under the A&R Credit Agreement with the secured overnight financing rate as administered by the Federal Reserve Bank of New York (“SOFR”), and amends all applicable provisions of the A&R Credit Agreement with respect to such replacement of LIBOR as the benchmark interest rate. Except as amended by the First Amendment, the A&R Credit Agreement remains in full force and effect.

Effective as of April 18, 2023, the Company amended its A&R Credit Agreement to increase the revolving credit commitments available thereunder from an aggregate of $150.0 million to $220.0 million. The credit commitments are available for general corporate purposes to support the Company's growth and to fund working capital needs and will be subject to the same interest rate and other terms applicable to the outstanding revolving credit commitments under the A&R Credit Agreement. In addition, as amended, the A&R Credit Agreement provides the Company with a refreshed uncommitted incremental facility which may be utilized for new revolving credit facilities or term loans in an aggregate amount of up to $70.0 million. The amendment was accounted for as a debt modification. The balance of the unamortized debt origination costs in connection with the A&R Credit Agreement and the additional debt origination costs of approximately $0.7 million incurred in connection with this amendment will be amortized over the remaining life of the A&R Credit Agreement using the straight-line method, as it is not significantly different than the effective interest method. Debt origination costs paid to third parties in connection with the amendment were expensed as incurred during the second quarter of 2023.

The unamortized portion of debt origination costs totaled approximately $3.2 million and $3.3 million at September 30, 2023 and December 31, 2022, respectively. Amortization of debt origination costs is included as a component of interest expense in the condensed consolidated statements of income and comprehensive income and amounted to approximately $0.3 million and $0.2 million for the three months ended September 30, 2023 and 2022, and $0.8 million for both the nine months ended September 30, 2023 and 2022, respectively.

At the election of the Company, interest on the term loan facility and revolving loans under the A&R Credit Agreement, as amended, may be determined by reference to SOFR plus an index adjustment of 0.10% and an applicable margin ranging between 2.50% and 3.00% based upon the Company's consolidated leverage ratio, as calculated pursuant to the terms of the A&R Credit Agreement. Loans (other than Term Loans, as defined in the A&R Credit Agreement), may also bear interest at the Base Rate, plus an applicable margin ranging between 1.50% and 2.00% based upon the Company's consolidated leverage ratio, as so calculated. The Company is also required to pay a fee on the unused portion of the revolving credit facility equal to 0.35% per annum. The effective interest rates for the nine months ended September 30, 2023 for the term loan facility and revolving credit facility were 8.21% and 1.90%, respectively, and 4.18% and 0.80% for the nine months ended September 30, 2022, respectively.

Interest is payable (x)(i) generally on the last day of each interest period selected for SOFR loans, but in any event, not less frequently than every three months, and (ii) on the last business day of each quarter for base rate loans and (y) at final maturity. The principal amount of the term loan facility under the A&R Credit Agreement must be repaid in consecutive quarterly installments of 5.0% in years 1 and 2, 7.5% in year 3, and 10.0% in years 4 and 5, in each case on the last day of each quarter, which commenced in September 2021 with a final balloon payment at maturity. The term loans under the A&R Credit Agreement may be prepaid at any time without premium or penalty. Revolving loans may be borrowed, repaid and reborrowed from time to time in accordance with the terms and conditions of the A&R Credit Agreement. The Company is also required to repay the loans upon receipt of net proceeds from certain casualty events, upon the disposition of certain property and upon incurrence of indebtedness not permitted by the A&R Credit Agreement. In addition, the Company is required to make mandatory prepayments annually from excess cash flow if the Company's consolidated leverage ratio (as calculated under the A&R Credit Agreement) is greater than or equal to 3.0, and the remainder of any such excess cash flow is contributed to the available amount which may be used for a variety of purposes, including investments and distributions.

The A&R Credit Agreement, as amended, contains financial covenants that require the Company to maintain a quarterly minimum fixed charge coverage ratio of 1.25:1.00 and a quarterly maximum consolidated leverage ratio of 3.25:1.00 and generally restricts the ability of the Company to make certain restricted payments, including the repurchase of shares of its common stock, provided that the Company may make restricted payments, among others, (i) without limitation so long as the Consolidated Leverage Ratio (as defined in the A&R Credit Agreement), as of the then most recently completed four fiscal quarters of the Company, after giving pro forma effect to such restricted payments, is 2.25:1.00 or less, (ii) that do not exceed, in the aggregate during any fiscal year, the greater of (x) $23.8 million and (y) 25.00% of Consolidated EBITDA (as defined in the A&R Credit Agreement) for the then most recently completed four fiscal quarters of the Company and (iii) to repurchase Company common stock from current or former employees in an aggregate amount of up to $10.0 million per calendar year. The A&R Credit Agreement also contains covenants that limit the Company's and its subsidiaries' ability to, among other things, grant liens, incur additional indebtedness, make acquisitions or investments, dispose of certain assets, change the nature of their businesses, enter into certain transactions with affiliates or amend the terms of material indebtedness.

The obligations under the A&R Credit Agreement are guaranteed by the Company and certain domestic subsidiaries of the Company and secured by liens on substantially all of the assets of the Loan Parties, subject to certain exclusions and limitations.

NOTE 11 – FAIR VALUE MEASUREMENTS

The Company determines fair value in accordance with the provisions of FASB guidance, *Fair Value Measurements and Disclosures*, which defines fair value as an exit price, representing the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-level fair value hierarchy that prioritizes the inputs used to measure fair value was established. There are three levels of inputs used to measure fair value and for disclosure purposes. Level 1 relates to quoted market prices for identical assets or liabilities in active markets. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's non-financial assets measured at fair value on a nonrecurring basis include goodwill and intangible assets. The determination of our intangible fair values includes several assumptions and inputs (Level 3) that are subject to various risks and uncertainties. Management believes it has made reasonable estimates and judgments concerning these risks and uncertainties. All other financial assets and liabilities are carried at amortized cost.

The Company's cash and cash equivalents balances are representative of their fair values as these balances are comprised of deposits available on demand or overnight. The carrying amounts of accounts receivable, prepaid wires, accounts payable and wire transfers and money orders payable are representative of their fair values because of the short turnover of these instruments.

The Company's financial liabilities include its revolving credit facility and term loan facility. The fair value of the term loan facility, which approximates book value, is estimated by discounting the future cash flows using a current market interest rate. The estimated fair value of the revolving credit facility would approximate face value given the payment schedule and interest rate structure, which approximates current market interest rates.

NOTE 12 – SHARE-BASED COMPENSATION

International Money Express, Inc. Omnibus Equity Compensation Plans

The International Money Express, Inc. 2020 Omnibus Equity Compensation Plan (the "2020 Plan") provides for the granting of stock-based incentive awards, including stock options, restricted stock units ("RSUs"), restricted stock awards ("RSAs") and performance stock units ("PSUs") to employees, service providers and independent directors of the Company. There are 3.7 million shares of the Company's common stock approved for issuance under the 2020 Plan, which includes 0.4 million shares that were previously subject to awards granted under the International Money Express, Inc. 2018 Omnibus Equity Compensation Plan (the "2018 Plan" and together with the 2020 Plan, the "Plans"). Although awards remain outstanding under the 2018 Plan, which was terminated effective June 26, 2020, no additional awards may be granted under the 2018 Plan. As of September 30, 2023, 2.1 million shares remained available for future awards under the 2020 Plan.

Stock Options

Share-based compensation is recognized as an expense on a straight-line basis over the requisite service period, which is generally the vesting period. The stock options issued under the Plans have 10-year terms and generally vest in four equal annual installments beginning one year after the date of the grant. The Company recognized compensation expense for stock options of approximately \$0.1 million and \$0.1 million for the three months ended September 30, 2023 and 2022, respectively, and \$0.4 million and \$1.2 million for the nine months ended September 30, 2023 and 2022, respectively, which are included in salaries and benefits in the condensed consolidated statements of income and comprehensive income. As of September 30, 2023, unrecognized compensation expense related to stock options of approximately \$0.2 million is expected to be recognized over a weighted-average period of 0.8 years.

A summary of stock option activity under the Plans during the nine months ended September 30, 2023 is presented below:

| | Number of Options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (Years) | Weighted-Average Grant Date Fair Value |
|---|---|---|---|---|
| Outstanding at December 31, 2022 | 711,050 | $ 11.56 | 6.26 | $ 4.28 |
| Granted | — | $ — | | $ — |
| Exercised | (78,500) | $ 12.18 | | $ 5.03 |
| Forfeited | (11,250) | $ 14.07 | | $ 6.54 |
| Outstanding at September 30, 2023 | 621,300 | $ 11.43 | 5.45 | $ 4.15 |
| | | | | |
| Exercisable at September 30, 2023 | 575,050 | $ 11.30 | 5.36 | $ 4.03 |

Restricted Stock Units

The RSUs granted under the Plans to the Company's employees or service providers generally vest in four equal annual installments beginning one year after the date set forth in the applicable grant agreement, while RSUs issued to the Company's independent directors vest on the one-year anniversary from the grant date. The Company recognized compensation expense for RSUs of approximately \$0.8

million and $0.5 million for the three months ended September 30, 2023 and 2022, respectively, and $2.1 million and $1.3 million for the nine months ended September 30, 2023 and 2022, respectively, which are included in salaries and benefits in the condensed consolidated statements of income and comprehensive income. As of September 30, 2023, unrecognized compensation expense related to RSUs of approximately $6.1 million is expected to be recognized over a weighted-average period of 1.9 years.

A summary of RSU activity during the nine months ended September 30, 2023 is presented below:

| | Number of RSUs | Weighted-Average Grant Price |
|---|---|---|
| Outstanding (nonvested) at December 31, 2022 | 316,902 | $ 16.58 |
| Granted[1] | 202,208 | $ 24.75 |
| Vested | (119,750) | $ 17.52 |
| Forfeited | (39,532) | $ 19.65 |
| Outstanding (nonvested) at September 30, 2023 | 359,828 | $ 20.53 |

[1] The aggregate fair value of all RSUs granted during the nine months ended September 30, 2023 was approximately $5.0 million.

Share Awards

The Lead Independent Director and Chairs of the Committees of the Board of Directors are granted, in aggregate, $80.5 thousand in awards of fully vested shares of the Company's common stock, payable on a quarterly basis at the end of each quarter in payment of fees earned in such capacities. During the three and nine months ended September 30, 2023, 821 and 2,428 fully vested shares, respectively, were granted to the Lead Independent Director and Chairs of the Committees of the Board of Directors. The Company recognized compensation expense for the share awards of $20.1 thousand for both the three months ended September 30, 2023 and 2022, respectively, and $60.4 thousand and $52.1 thousand for the nine months ended September 30, 2023 and 2022, respectively, which are recorded and included in salaries and benefits in the condensed consolidated statements of income and comprehensive income.

Restricted Stock Awards

The RSAs issued under the Plans to the Company's employees generally vest in four equal annual installments beginning one year after the date set forth in the applicable grant agreement. The Company recognized compensation expense for RSAs granted of $0.3 million and $0.2 million for the three months ended September 30, 2023 and 2022, respectively, and $0.9 million and $0.5 million for the nine months ended September 30, 2023 and 2022, respectively, which are included in salaries and benefits in the condensed consolidated statements of income and comprehensive income. As of September 30, 2023, there was $3.1 million of unrecognized compensation expense related to RSAs, which is expected to be recognized over a weighted-average period of 1.9 years.

A summary of RSA activity during the nine months ended September 30, 2023 is presented below:

| | Number of RSAs | Weighted-Average Grant Price |
|---|---|---|
| Outstanding (nonvested) at December 31, 2022 | 159,562 | $ 15.28 |
| Granted[1] | 80,402 | $ 25.68 |
| Vested | (47,984) | $ 15.68 |
| Forfeited | — | $ — |
| Outstanding (nonvested) at September 30, 2023 | 191,980 | $ 19.53 |

[1] The aggregate fair value of all RSAs granted during the nine months ended September 30, 2023 was approximately $2.1 million.

Performance Stock Units

PSUs granted to the Company's employees generally vest subject to attainment of performance criteria during the service period established by the Compensation Committee. Each PSU represents the right to receive one share of common stock, and the actual number of shares issuable upon vesting is determined based upon performance compared to financial performance targets. The PSUs vest based on the achievement of certain revenue or adjusted earnings per share parameters for a period of up to three years combined with a service period of three years. Compensation cost is recognized over the requisite service period when it is probable that the performance condition will be satisfied. During the third quarter of 2022, the Company reassessed the probability of vesting for PSU awards and determined that it was probable that a higher performance target will be achieved. Therefore, the Company recognized a cumulative catch-up adjustment of approximately $1.1 million as additional compensation expense for the three months ended September 30, 2022 (none in 2023). On

February 28, 2023, the Compensation Committee determined that the higher performance target was achieved and approved the incremental grant of PSUs.

The Company recognized compensation expense for PSUs of $1.0 million and $1.8 million for the three months ended September 30, 2023 and 2022, respectively, and $2.8 million and $2.5 million for the nine months ended September 30, 2023 and 2022, respectively, which are included in salaries and benefits in the condensed consolidated statements of income and comprehensive income. As of September 30, 2023, there was $4.7 million of unrecognized compensation expense related to PSUs, which is expected to be recognized over a weighted-average period of 1.8 years.

A summary of PSU activity during the nine months ended September 30, 2023 is presented below:

| | Number of PSUs | Weighted-Average Remaining Contractual Term (Years) | Weighted-Average Grant Price |
|---|---|---|---|
| Outstanding (nonvested) at December 31, 2022 | 300,871 | 8.63 | $ 17.30 |
| Granted[(1)] | 318,386 | | $ 19.49 |
| Vested | — | | $ — |
| Forfeited | — | | $ — |
| Outstanding (nonvested) at September 30, 2023 | 619,257 | 8.12 | $ 18.43 |

[(1)] The aggregate fair value of all PSUs granted during the nine months ended September 30, 2023 was approximately $6.2 million.

NOTE 13 – EQUITY

Prior to 2022, the Company's Board of Directors approved a stock repurchase program (the "Repurchase Program") that authorizes the Company to purchase up to $40.0 million of outstanding shares of the Company's common stock. On March 3, 2023, the Board of Directors approved an increase to the Repurchase Program that authorizes the Company to purchase an additional $100.0 million of its outstanding shares. Under the Repurchase Program, the Company is authorized to repurchase shares from time to time in accordance with applicable laws, both on the open market and in privately negotiated transactions and may include the use of derivative contracts or structured share repurchase agreements. The timing and amount of repurchases depends on several factors, including market and business conditions, the trading price of the Company's common stock and the nature of other investment opportunities. The Repurchase Program may be limited, suspended or discontinued at any time without prior notice. The Repurchase Program does not have an expiration date. The A&R Credit Agreement, as amended, permits the Company to make restricted payments (including share repurchases, among others), (i) without limitation so long as the Consolidated Leverage Ratio (as defined in the A&R Credit Agreement, as amended), as of the then most recently completed four fiscal quarters of the Company, after giving pro forma effect to such restricted payments, is 2.25:1.00 or less, (ii) that do not exceed, in the aggregate during any fiscal year, the greater of (x) $23.8 million and (y) 25.00% of Consolidated EBITDA (as defined in the A&R Credit Agreement) for the then most recently completed four fiscal quarters of the Company and (iii) to repurchase Company common stock from current or former employees in an aggregate amount of up to $10.0 million per calendar year.

The Company accounts for purchases of treasury stock under the cost method. Any direct costs incurred to acquire treasury stock are considered stock issue costs and added to the cost of the treasury stock. During the three and nine months ended September 30, 2023, the Company purchased 501,900 shares and 1,734,481 shares for an aggregate purchase price of $10.1 million and $40.6 million, respectively. During the three and nine months ended September 30, 2022, the Company purchased 1,287,714 shares and 2,015,615 shares for an aggregate purchase price of $30.1 million and $43.7 million, respectively. As of September 30, 2023, there was $80.7 million available for future share repurchases under the Repurchase Program.

NOTE 14 – EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income for the period by the weighted-average number of common shares outstanding for the period. In computing dilutive earnings per share, basic earnings per share is adjusted for the assumed issuance of all applicable potentially dilutive share-based awards, including common stock options, RSUs, RSAs and PSUs. Shares of treasury stock are not considered outstanding and therefore are excluded from the weighted-average number of common shares outstanding calculation.

Below are basic and diluted earnings per share for the periods indicated (in thousands, except for share data):

| | Three Months Ended September 30, 2023 | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|---|---|
| Net income for basic and diluted earnings per common share | $ 14,832 | $ 16,626 | $ 42,016 | $ 44,264 |
| Shares: | | | | |
| Weighted-average common shares outstanding – basic | 35,320,809 | 37,390,632 | 35,930,234 | 37,999,709 |
| Effect of dilutive securities: | | | | |
| RSUs | 81,436 | 136,602 | 114,702 | 103,526 |
| Stock options | 259,121 | 559,556 | 308,061 | 607,535 |
| RSAs | 48,898 | 270,203 | 57,383 | 149,888 |
| PSUs | 371,899 | 68,875 | 357,300 | 46,625 |
| Weighted-average common shares outstanding – diluted | 36,082,163 | 38,425,868 | 36,767,680 | 38,907,283 |
| | | | | |
| Earnings per common share – basic | $ 0.42 | $ 0.44 | $ 1.17 | $ 1.16 |
| Earnings per common share – diluted | $ 0.41 | $ 0.43 | $ 1.14 | $ 1.14 |

As of September 30, 2023, there were 146.9 thousand PSUs, 131.8 thousand RSUs and 58.4 thousand RSAs excluded from the diluted earnings per share calculation because, under the treasury stock method, the inclusion of these would be anti-dilutive.

As of September 30, 2022, there were 12.5 thousand stock options and 15.1 thousand RSUs excluded from the diluted earnings per share calculation because, under the treasury stock method, the inclusion of these would be anti-dilutive.

As discussed in Note 13, the Company repurchased 501,900 shares and 1,734,481 shares of its common stock in the three and nine months ended September 30, 2023, respectively. The effect of these repurchases on the Company's weighted-average shares outstanding for the three and nine months ended September 30, 2023 was a reduction of 1,475,495 shares and 805,307 shares, respectively, due to the timing of the repurchases.

NOTE 15 – INCOME TAXES

A reconciliation between the income tax provision at the U.S. statutory tax rate and the Company's income tax provision on the condensed consolidated statements of income and comprehensive income is below (in thousands, except for tax rates):

| | Three Months Ended September 30, 2023 | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|---|---|
| Income before income taxes | $ 21,451 | $ 19,280 | $ 60,190 | $ 57,534 |
| U.S statutory tax rate | 21 % | 21 % | 21 % | 21 % |
| Income tax expense at statutory rate | 4,505 | 4,049 | 12,640 | 12,082 |
| | | | | |
| State tax expense, net of federal benefit | 1,599 | 1,199 | 4,654 | 3,552 |
| Foreign tax rates different from U.S. statutory rate | 201 | 38 | 244 | 83 |
| Non-deductible expenses | 347 | 236 | 855 | 592 |
| Stock compensation | (38) | (2,890) | (312) | (2,952) |
| Other | 5 | 22 | 93 | (87) |
| Total income tax provision | $ 6,619 | $ 2,654 | $ 18,174 | $ 13,270 |

Effective income tax rates for interim periods are based upon our current estimated annual rate. The Company's effective income tax rate varies based upon an estimate of taxable earnings as well as on the mix of taxable earnings in the various states and countries in which we operate. Changes in the annual allocation and apportionment of the Company's activity among these jurisdictions results in changes to the effective rate utilized to measure the Company's deferred tax assets and liabilities.

Our income tax provision includes the expected benefit of all deferred tax assets, including our net operating loss carryforwards. With few exceptions, our U.S federal and state net operating loss carryforwards will expire from 2039 through 2042 and our foreign net operating losses will not expire. After consideration of all evidence, both positive and negative, management has determined that no valuation allowance is required at September 30, 2023 on the Company's U.S. federal or state deferred tax assets; however, a valuation allowance has been recorded at September 30, 2023 on deferred tax assets associated with Canadian, Spanish, Italian, German and Dutch net operating loss carryforwards. Utilization of the Company's net operating loss carryforwards is subject to limitation under Internal Revenue Code Section 382 and similar tax provisions in the foreign jurisdictions in which we operate.

As presented in the income tax reconciliation above, the tax provision recognized on the condensed consolidated statements of income and comprehensive income was impacted by state taxes, non-deductible officer compensation and share-based compensation tax benefits, and foreign tax rates applicable to the Company's foreign subsidiaries that are higher or lower than the U.S. statutory rate. Our effective state tax rate for the three and nine months ended September 30, 2023 was higher than our effective state tax rate for the three and nine ended September 30, 2022. The increase in our effective state tax rate is primarily a result of revenue from La Nacional earned during the three and nine months ended September 30, 2023 which is sourced to states with relatively higher tax rates and from increases in non-deductible officer expenses.

## NOTE 16 – COMMITMENTS AND CONTINGENCIES

### Leases

In the ordinary course of business, the Company enters into leases for office space, warehouses and certain Company-operated store locations. Refer to Note 7 - Leases.

### Contingencies and Legal Proceedings

The Company is subject to legal proceedings and claims that have arisen in the ordinary course of its business and have not been finally adjudicated. Although there can be no assurance as to the ultimate disposition of these matters, it is the opinion of the Company's management, based upon the information available at this time and the stage of the proceedings, that it is not possible to determine the probability of loss or estimate of damages and, therefore, the Company has not established a reserve for any of these proceedings.

The Company operates in all 50 states in the United States, two U.S. territories and seven other countries. Money transmitters and their agents are under regulation by state and federal laws. Violations may result in civil or criminal penalties or a prohibition from providing money transfer services in a particular jurisdiction. It is the opinion of the Company's management, based on information available at this time, that the expected outcome of regulatory examinations will not have a material adverse effect on either the results of operations or financial condition of the Company.

### Regulatory Requirements

Pursuant to applicable licensing laws, certain domestic subsidiaries of the Company are required to maintain minimum tangible net worth and liquid assets (permissible investments) to cover the amount outstanding of wire transfers and money orders payable. As of September 30, 2023, the Company's subsidiaries were in compliance with these requirements.

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

*This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and related Notes included in this Quarterly Report on Form 10-Q, as well as our Audited Consolidated Financial Statements and related Notes and MD&A included in our Annual Report on Form 10-K for the year ended December 31, 2022. This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in other sections of this Quarterly Report on Form 10-Q, including "Risk Factors," which are incorporated in the MD&A by reference. See "Special Note Regarding Forward-Looking Statements" for additional factors relating to such statements, and see "Risk Factors" in the documents that we have filed with or furnished to the SEC for a discussion of certain risk factors applicable to our business, financial condition and results of operations. Past operating results are not necessarily indicative of operating results in any future periods.*

### Overview

We are a leading omnichannel money remittance services company focused primarily on the United States of America ("United States" or "U.S.") to Latin America and the Caribbean ("LAC") corridor, which includes Mexico, Central and South America and the Caribbean. In recent years, we expanded our services to allow remittances to Africa and Asia from the United States and also began offering sending services from Canada to Latin America and Africa. Also, through the acquisition of LAN Holdings we now provide remittance services from Spain, Italy and Germany to Africa, Asia and Latin America. We utilize our proprietary technology to deliver convenient, reliable and value-added services to consumers through a broad network of sending and paying agents. Our remittance services, which include a comprehensive suite of ancillary financial processing solutions and payment services, are available in all 50 states in the U.S., Washington D.C., Puerto Rico and 13 provinces in Canada as well as in certain locations in Spain, Italy and Germany, where consumers can send money to beneficiaries in more than 60 countries in LAC, Africa and Asia. Our services are accessible in person through over 100,000 independent sending and paying agents and 124 Company-operated stores, as well as online and via Internet-enabled mobile devices. Additionally, our product and service portfolio include online payment options, pre-paid debit cards and direct deposit payroll cards, which may present different cost, demand, regulatory and risk profiles relative to our core money remittance business.

Money remittance services to LAC countries, mainly Mexico, Guatemala, El Salvador, Honduras and Dominican Republic, are the primary source of our revenue. These services involve the movement of funds on behalf of an originating consumer for receipt by a designated beneficiary at a designated receiving location. Our remittances to LAC countries are primarily generated in the United States by consumers with roots in Latin American and Caribbean countries, many of whom do not have an existing relationship with a traditional full-service financial institution capable of providing the services we offer. We provide these consumers with flexibility and convenience to help them meet their financial needs. We believe many consumers who use our services may have access to traditional banking services, but prefer to use our services based on reliability, convenience and value. We generate money remittance revenue from fees paid by consumers (i.e., the senders of funds), which we share with our sending agents in the originating country and our paying agents in the destination country. Remittances paid in local currencies that are not pegged to the U.S. dollar, Canadian dollar or Euro can also generate revenue if we are successful in our daily management of currency exchange spreads.

Our money remittance services enable consumers to send funds through our broad network of locations in the United States, Canada, Spain, Italy and Germany that are primarily operated by third-party businesses, as well as through our Company-operated stores located in the United States, Canada, Spain, Italy and Germany. Transactions are processed and payment is collected by our agents ("sending agent(s)") and those funds become available for pickup by the beneficiary at the designated destination, usually within minutes, at any Intermex payer location ("paying agent(s)"). We refer to our sending agents and our paying agents collectively as agents. In addition, our services are offered digitally through Intermexonline.com, online.i-transfer.es and via Internet-enabled mobile devices. For the nine months ended September 30, 2023, we have grown our agent network by approximately 16.2% primarily due to the agents added as a result of the acquisition of LAN Holdings, partially offset by the termination of low volume and unproductive sending agents. For the nine months ended September 30, 2023, principal amount sent increased by approximately 20.5% to $18.3 billion, as compared to the same period in 2022, and total remittances processed were approximately 43.3 million, representing an increase of approximately 26.9%, as compared to the same period in 2022 primarily related to the agent network growth discussed above.

### Acquisition of La Nacional and LAN Holdings

Effective November 1, 2022, the Company completed the acquisition of La Nacional and effective April 5, 2023, we completed the acquisition of LAN Holdings. See Note 2 in Item 1 Financial Statements for additional information regarding the acquisitions of La Nacional and LAN Holdings. The acquisitions of La Nacional and LAN Holdings strengthen the Company's presence in the Dominican Republic, Europe and other key markets in Latin America, Africa and Asia.

La Nacional Restructuring Plan

During the third quarter of 2023, the Company implemented a Restructuring Plan (the "Plan") for La Nacional. The objectives were to reorganize the workforce, streamline operational processes as well as develop efficiencies within the Company. The Plan contemplated a reduction of La Nacional's workforce due to closing of operations, and surrendering of money transmitter licenses in certain states, termination of selected sending agents, centralization of functions at the consolidated Company level and closing of certain facilities.

For the three months ended September 30, 2023, the Company incurred $1.1 million in expenses related to the Plan. These expenses include approximately $0.8 million in severance payments and related benefits included in salaries and benefits in the condensed consolidated statement of income and comprehensive income, $0.3 million in computer equipment write-offs, $38 thousand for the early termination of a lease agreement and $31 thousand in legal fees related to the surrender of money transmitter licenses within states where La Nacional will no longer operate, which are included in other selling, general and administrative expenses in the condensed consolidated statement of income and comprehensive income.

The Company has paid out the above charges during the three months ended September 30, 2023 and does not have a liability recorded as of September 30, 2023. The Company anticipates that the total costs associated with the Plan through December 31, 2023 will approximate $1.4 million.

As a result of the Plan, the Company expects to reduce compensation expense and certain facilities related charges in an amount of approximately $1.5 million a year. The anticipated effect of this reduction in expenses will be primarily realized in the fiscal year 2024. In addition, the Company does not expect that the Plan will result in any material reduction of revenues or increase of its operating expenses.

**Key Factors and Trends Affecting our Business**

Various trends and other factors have affected and may continue to affect our business, financial condition and operating results, including, but not limited to:

- the Company's ability to successfully execute, manage, integrate and obtain the anticipated financial benefits of key acquisitions and mergers;
- economic factors such as inflation, the level of economic activity, recession risks and labor market conditions, as well as rising interest rates;
- public health conditions, responses thereto and the economic and market effects thereof;
- competition in the markets in which we operate;
- volatility in foreign exchange rates that could affect the volume of consumer remittance activity and/or affect our foreign exchange related gains and losses;
- our ability to maintain favorable banking and agent relationships necessary to conduct our business;
- credit risks from our agents and the financial institutions with which we do business;
- bank failures, sustained financial illiquidity, or illiquidity at our clearing, cash management or custodial financial institutions;
- new technology or competitors that disrupt the current ecosystem, including the introduction of new digital platforms;
- cyber-attacks or disruptions to our information technology, computer network systems, data centers and mobile devices apps;
- our ability to satisfy our debt obligations and remain in compliance with our credit facility requirements;
- our success in developing and introducing new products, services and infrastructure;
- consumer confidence in our brand and in consumer money transfers generally;
- our ability to maintain compliance with applicable regulatory requirements;
- international political factors, political stability, tariffs, border taxes or restrictions on remittances or transfers from the outbound countries in which we operate;
- currency restrictions and volatility in countries in which we operate or plan to operate;
- consumer fraud and other risks relating to the authenticity of customers’ orders;
- changes in immigration laws and their enforcement;
- our ability to protect our brands and intellectual property rights;
- weakness in U.S. or international economic conditions;

- changes in tax laws in the countries we operate; and
- our ability to recruit and retain key personnel.

Political and economic conditions in key Latin American markets, particularly Mexico, Guatemala and certain countries in South America, continue to exhibit instability, as evidenced by higher interest rates, high unemployment rates, restricted lending activity, higher inflation, volatility in foreign currencies, low consumer confidence, and supply chain disruptions, among other economic and market factors. Our business has generally been resilient during times of economic instability as money remittances are essential to many recipients, with the funds used by the receiving parties for their daily needs; however, long-term sustained appreciation of the Mexican peso or Guatemalan quetzal as compared to the U.S. dollar could negatively affect our revenues and profitability.

Money remittance businesses have continued to be subject to strict legal and regulatory requirements, and we continue to focus on and regularly review our compliance programs. In connection with these reviews, and in light of regulatory complexity and heightened attention of governmental and regulatory authorities related to cybersecurity and compliance activities, we have made, and continue to make, enhancements to our processes and systems designed to detect and prevent cyber-attacks, consumer fraud, money laundering, terrorist financing and other illicit activities, along with enhancements to improve consumer protection, including the Dodd-Frank Act and similar regulations outside the United States. In coming periods, we expect these and future regulatory requirements will continue to result in changes to certain of our business and administrative practices and may result in increased costs.

We maintain a compliance department, the responsibility of which is to monitor transactions, detect and report suspicious activity, maintain appropriate records and train our employees and agents. An independent third-party periodically reviews our policies and procedures and performs independent testing to assess the effectiveness of our anti-money laundering and Bank Secrecy Act compliance program. We also maintain a regulatory affairs and licensing department, under the direction of our Chief Compliance Officer.

The market for money remittance services is very competitive. Our competitors include a small number of large money remittance providers, financial institutions, banks and a large number of small niche money remittance service providers that serve select regions. We compete with larger companies, such as Western Union, MoneyGram, Remitly and Euronet, and a number of other smaller money services business ("MSB") entities. We generally compete for money remittance agents on the basis of value, service, quality, technical and operational differences, commission structure and marketing efforts. As a philosophy, we sell credible solutions to our sending agents, not discounts or higher commissions, as is typical for the industry. We compete for money remittance consumers on the basis of trust, convenience, service, efficiency of outlets, value, enhanced technology and brand recognition.

We have encountered and continue to expect to encounter increasing competition as new electronic platforms emerge that enable consumers to send and receive money through a variety of channels, but we do not expect adoption rates to be as significant in the near term for the consumer segment we serve. Regardless, we continue to innovate in the industry by differentiating our money remittance business through programs to foster loyalty among agents as well as consumers and have expanded our channels through which our services are accessed to include online and mobile offerings which are experiencing consumer adoption.

### How We Assess the Performance of Our Business

In assessing the performance of our business, we consider a variety of performance and financial measures. The key indicators of the financial condition and operating performance of our business are revenues, service charges from agents and banks, salaries and benefits, other selling, general and administrative expenses and net income. To help us assess our performance with these key indicators, we primarily use Adjusted Net Income, Adjusted Earnings per Share and Adjusted EBITDA as non-GAAP financial measures. We believe these non-GAAP measures provide useful information to investors and expanded insight to measure our revenue and cost performance as a supplement to our U.S. GAAP consolidated financial statements. See the "Adjusted Net Income and Adjusted Earnings per Share" and "Adjusted EBITDA" sections below for reconciliations of these non-GAAP financial measures to net income and earnings per share, our closest GAAP measures.

#### *Revenues*

Transaction volume is the primary generator of revenue in our business. Revenue on transactions is derived primarily from transaction fees paid by consumers to transfer money. Revenues per transaction vary based upon send and receive locations and the amount sent. In certain transactions involving different send and receive currencies, we generate foreign exchange gains based on the difference between the set exchange rate charged by us to the sender and the rate available to us in the wholesale foreign exchange market.

### *Operating Expenses*

*Service Charges from Agents and Banks*

Service charges primarily consist of sending agent commissions and payer and bank fees. Service charges vary based on agent commission percentages and the amount of fees charged by payers and banks. Sending agents earn a commission on each transaction they process of approximately 50% of the transaction fee. Payer fees are based on a fixed amount per transaction processed and paid. Service charges may increase if banks or payer organizations increase their fee structure or sending agents use higher fee methods to remit funds to us. Service charges also vary based on the method the consumer selects to send the transfer and the payer organization that facilitates the transaction.

*Salaries and Benefits*

Salaries and benefits include cash and share-based compensation associated with our corporate employees and sales team as well as employees at our Company-operated stores. Corporate employees include management, customer service, compliance, information technology, operations, finance, legal and human resources. Our sales team, located throughout the United States, Canada, Spain and Italy, is focused on supporting and growing our sending agent network. Share-based compensation is primarily recognized as an expense on a straight-line basis over the requisite service period; unrecognized compensation expense related to stock options, restricted stock units ("RSUs"), restricted stock awards ("RSAs") and performance stock units ("PSUs") of approximately $14.0 million is expected to be recognized over a weighted-average period of 1.8 years.

*Other Selling, General and Administrative*

General and administrative expenses primarily consist of fixed overhead expenses associated with our operations, such as information technology, telecommunications, rent, insurance, professional services, non-income or indirect taxes, facilities maintenance, provision for credit losses and other similar types of operating expenses. A portion of these expenses relate to our Company-operated stores; however, the majority relate to the overall business operation and compliance requirements of a regulated publicly traded financial services company. Selling expenses include expenses such as advertising and promotion, shipping, supplies and other expenses associated with serving and increasing our network of agents.

*Transaction Costs*

We incurred transaction costs associated with the acquisitions of La Nacional and LAN Holdings. These costs included all internal and external costs directly related to the transaction, consisting primarily of legal, consulting, accounting and advisory fees and certain incentive bonuses. They are presented within other selling, general and administrative expenses in our condensed consolidated statements of income and comprehensive income. See Note 2 to the condensed consolidated financial statements for additional information.

*Depreciation and Amortization*

Depreciation and amortization largely consists of depreciation of computer equipment and amortization of software that supports our technology platform. In addition, it includes amortization of intangible assets primarily related to our agent relationships, trade names and developed technology.

### *Non-Operating Expenses*

*Interest Expense*

Interest expense consists primarily of interest associated with our debt, which consists of a term loan facility and a revolving credit facility. The effective interest rates for the nine months ended September 30, 2023 for the term loan facility and revolving credit facility, were 8.21% and 1.90%, respectively.

*Income tax provision*

Our income tax provision includes the expected benefit of all deferred tax assets, including our net operating loss carryforwards. Our income tax provision reflects the effects of state taxes, non-deductible expenses, share-based compensation expense, and foreign tax rates applicable to the Company's foreign subsidiaries that are higher or lower than the U.S. statutory rate.

### *Net Income*

Net income is determined by subtracting operating and non-operating expenses from revenues.

***Earnings per Share***

Basic earnings per share is calculated by dividing net income by the weighted-average number of common shares outstanding for each period. Diluted earnings per share is calculated by dividing net income by the weighted-average number of common shares and common share equivalents outstanding for each period. Diluted earnings per share reflects the potential dilution that could occur if outstanding stock options at the presented dates are exercised and shares of RSUs, RSAs and PSUs have vested, using the treasury stock method. Shares of treasury stock are not considered outstanding and therefore are excluded from the weighted-average number of common shares outstanding calculation.

***Segments***

Our business is organized around one reportable segment that provides money transmittal services primarily between the United States and Canada to Mexico, Guatemala and other countries in Latin America, Africa, Asia and Europe through a network of authorized agents located in various unaffiliated retail establishments and 124 Company-operated stores throughout the United States, Canada, Spain, Italy and Germany. This is based on the objectives of the business and how our chief operating decision maker, the CEO and President, monitors operating performance and allocates resources.

**Results of Operations**

The following table summarizes key components of our results of operations for the periods indicated:

| *(in thousands, except for share data)* | Three Months Ended September 30, 2023 | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|---|---|
| Revenues: | | | | |
| Wire transfer and money order fees, net | $ 147,387 | $ 120,718 | $ 416,355 | $ 336,340 |
| Foreign exchange gain, net | 22,688 | 18,851 | 64,239 | 52,719 |
| Other income | 2,362 | 1,198 | 6,358 | 3,309 |
| Total revenues | 172,437 | 140,767 | 486,952 | 392,368 |
| | | | | |
| Operating expenses: | | | | |
| Service charges from agents and banks | 112,871 | 93,658 | 319,983 | 262,717 |
| Salaries and benefits | 18,607 | 13,853 | 52,415 | 36,911 |
| Other selling, general and administrative expenses | 13,235 | 10,232 | 37,210 | 24,964 |
| Depreciation and amortization | 3,472 | 2,278 | 9,511 | 6,712 |
| Total operating expenses | 148,185 | 120,021 | 419,119 | 331,304 |
| | | | | |
| Operating income | 24,252 | 20,746 | 67,833 | 61,064 |
| | | | | |
| Interest expense | 2,801 | 1,466 | 7,643 | 3,530 |
| | | | | |
| Income before income taxes | 21,451 | 19,280 | 60,190 | 57,534 |
| | | | | |
| Income tax provision | 6,619 | 2,654 | 18,174 | 13,270 |
| | | | | |
| Net income | $ 14,832 | $ 16,626 | $ 42,016 | $ 44,264 |
| | | | | |
| Earnings per common share: | | | | |
| Basic | $ 0.42 | $ 0.44 | $ 1.17 | $ 1.16 |
| Diluted | $ 0.41 | $ 0.43 | $ 1.14 | $ 1.14 |

**Three Months Ended September 30, 2023 Compared to Three Months Ended September 30, 2022**

***Revenues***

Revenues for the above periods are presented below:

| *($ in thousands)* | Three Months Ended September 30, 2023 | % of Revenues | Three Months Ended September 30, 2022 | % of Revenues |
|---|---|---|---|---|
| Revenues: | | | | |
| Wire transfer and money order fees, net | $ 147,387 | 86 % | $ 120,718 | 86 % |
| Foreign exchange gain, net | 22,688 | 13 % | 18,851 | 13 % |
| Other income | 2,362 | 1 % | 1,198 | 1 % |
| Total revenues | $ 172,437 | 100 % | $ 140,767 | 100 % |

Wire transfer and money order fees, net of $147.4 million for the three months ended September 30, 2023 increased by $26.7 million, or 22.1%, from $120.7 million for the three months ended September 30, 2022. The increase was primarily due to a 25.7% increase in transaction volume in the third quarter of 2023 compared to the third quarter of 2022, due to the continued growth in our agent network that expanded as a result of the La Nacional and LAN Holdings acquisitions, which network increased on a net basis by 38.1% when compared to September 30, 2022. These increases were partially offset by a lower average price per transaction on money transfers processed by La Nacional and LAN Holdings that is consistent with the conditions of the markets in which they operate.

Revenues from foreign exchange gain, net of $22.7 million for the three months ended September 30, 2023 increased by $3.8 million, or 20.1%, from $18.9 million for the three months ended September 30, 2022. This increase was primarily due to higher transaction volume achieved by growth in our agent network and a higher average amount sent by consumers to destination countries in which our business is concentrated, as well as increased foreign exchange volatility in the Mexican peso during the quarter ended September 30, 2023.

Other income of $2.4 million for the three months ended September 30, 2023 increased by $1.2 million, or 100.0%, from $1.2 million for the three months ended September 30, 2022 primarily due to the impact of the revenue generated from ancillary services provided by La Nacional and LAN Holdings to a particular segment of their consumer bases and commercial customers, an increase in fees related to higher volume of transfers deemed abandoned property, as well as an increase in income related to money transfer transactions paid with debit or credit cards.

***Operating Expenses***

Operating expenses for the above periods are presented below:

| *($ in thousands)* | Three Months Ended September 30, 2023 | % of Revenues | Three Months Ended September 30, 2022 | % of Revenues |
|---|---|---|---|---|
| Operating expenses: | | | | |
| Service charges from agents and banks | $ 112,871 | 65 % | $ 93,658 | 67 % |
| Salaries and benefits | 18,607 | 11 % | 13,853 | 10 % |
| Other selling, general and administrative expenses | 13,235 | 8 % | 10,232 | 7 % |
| Depreciation and amortization | 3,472 | 2 % | 2,278 | 2 % |
| Total operating expenses | $ 148,185 | 86 % | $ 120,021 | 86 % |

*Service charges from agents and banks* — Service charges from agents and banks were $112.9 million for the three months ended September 30, 2023 compared to $93.7 million for the three months ended September 30, 2022. The increase of $19.2 million, or 20.5%, was primarily due to the increase in transaction volume described above. For the three months ended September 30, 2023, service charges from agents and banks represented 65% of total revenues compared to 67% for the three months ended September 30, 2022. The decrease is primarily due to a lower average cost per transaction processed.

*Salaries and benefits* — Salaries and benefits of $18.6 million for the three months ended September 30, 2023 increased by $4.7 million, or 33.8%, from $13.9 million for the three months ended September 30, 2022. The increase is primarily due to $4.5 million spent in talent acquisition and retention, as well as increased wages, including the additional compensation related to La Nacional and LAN Holdings employees, which represents approximately 27.3% of salaries and benefits. The increase also includes $0.8 million in severance payments and related benefits as a result of the execution of the restructuring of La Nacional. These increases were offset by a $0.6 million decrease in incentive bonus expense as a result of lower than expected performance compared to financial targets. Salaries and benefits for the three months ended September 30, 2023 represent 11% of total Revenues compared to 10% for the three months ended September 30, 2022, which increase is attributable to our expanded workforce as a result of the La Nacional and LAN Holdings acquisitions as they operate independently in the execution of certain operational functions.

*Other selling, general and administrative expenses* — Other selling, general and administrative expenses of $13.2 million for the three months ended September 30, 2023 increased by $3.0 million, or 29.4%, from $10.2 million for the three months ended September 30, 2022.

The increase was primarily the result of:

- $1.7 million - higher facilities and rent expenses for scheduled maintenance and contracted lease rate increases to support our business growth and expenses related to the company-operated stores and other facilities added as a result of the La Nacional and LAN Holdings acquisitions;
- $1.3 million - increase in provision for credit losses due to higher net write-offs of accounts receivable during the three months ended September 30, 2023 compared to the same period in 2022, primarily as a result of sending agents that were not able to pay in accordance with the original terms and are, accordingly, subject to our normal collection procedures;
- $1.1 million - higher IT related expenses incurred to sustain our business expansion and to improve our technology environment; and

- $0.4 million - higher loss on disposal of assets primarily due to replacement of equipment used by our sending agents during the three months ended September 30, 2023, as well as $0.3 million in computer equipment write-offs related to the restructuring of La Nacional.

These increases were partially offset by:

- $1.6 million - decrease due to the provision recorded on deposits frozen at certain closed financial institution in Mexico recorded in the three months ended September 30, 2022.

*Depreciation and amortization* — Depreciation and amortization of $3.5 million for the three months ended September 30, 2023 increased by $1.2 million from $2.3 million for the three months ended September 30, 2022. The increase is the result of a $0.6 million increase in depreciation associated with additional software developed and computer equipment acquired to support our growing business and sending agent network, as well as approximately $0.3 million of depreciation for assets assumed in the La Nacional and LAN Holdings acquisitions and approximately $0.5 million for amortization of intangibles resulting from the La Nacional and LAN Holdings acquisitions. These increases were partially offset by a decrease of approximately $0.3 million in amortization related to our Intermex trade name, developed technology and agent relationships during the third quarter of 2023, as these intangibles are being amortized on an accelerated basis, which declines over time.

***Non-Operating Expenses***

*Interest expense* — Interest expense of $2.8 million for the three months ended September 30, 2023 increased by $1.3 million, or 86.7%, from $1.5 million for the three months ended September 30, 2022. The increase was primarily due to higher market interest rates and higher draws under our revolving credit facility to support the growth in our business.

*Income tax provision* — Income tax provision was $6.6 million for the three months ended September 30, 2023, which represents an increase of $3.9 million from an income tax provision of $2.7 million for the three months ended September 30, 2022. The increase in income tax provision was mainly attributable to a favorable effect of a $2.9 million tax windfall from deductible stock-compensation as a result of stock option exercises recorded in the income tax provision for the three months ended September 30, 2022, and an increase in our effective state tax rate primarily as a result of revenue from La Nacional earned during the three months ended September 30, 2023, which is sourced to states with relatively higher tax rates and from increases in non-deductible officer expenses.

***Net Income***

We reported Net Income of $14.8 million for the three months ended September 30, 2023 compared to Net Income of $16.6 million for the three months ended September 30, 2022, which resulted in a decrease of $1.8 million, or 10.8%, due to the same factors discussed above.

***Non-GAAP Financial Measures***

We use Adjusted Net Income, Adjusted Earnings per Share and Adjusted EBITDA to evaluate our performance, both internally and as compared with our peers, because these measures exclude certain items that may not be indicative of our core operating results, as well as items that can vary widely among companies within our industry. For example, noncash compensation costs can be subject to volatility from changes in the market price per share of our common stock or variations in the value and number of shares granted, and amortization of intangible assets is subject to business acquisition activities, which varies from period to period.

We present these non-GAAP financial measures because we believe they are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. Furthermore, we believe they are helpful in highlighting trends in our operating results by focusing on our core operating results and are useful to evaluate our performance in conjunction with our GAAP financial measures. Adjusted Net Income, Adjusted Earnings per Share and Adjusted EBITDA are non-GAAP financial measures and should not be considered as an alternative to operating income, net income or earnings per share as a measure of operating performance or cash flows or as a measure of liquidity. Non-GAAP financial measures are not necessarily calculated the same way by different companies and should not be considered a substitute for or superior to GAAP measures.

Adjusted EBITDA is one of the primary metrics used by management to evaluate the financial performance of our business because it excludes, among other things, the effects of certain transactions that are outside the control of management, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the jurisdictions in which we operate and capital investments.

In particular, Adjusted EBITDA is subject to certain limitations, including the following:

- Adjusted EBITDA does not reflect interest expense, or the amounts necessary to service interest or principal payments on our debt;

- Adjusted EBITDA does not reflect income tax provision (benefit), and because the payment of taxes is part of our operations, tax provision is a necessary element of our costs and ability to operate;

- Although depreciation and amortization are eliminated in the calculation of Adjusted EBITDA, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any costs of such replacements;

- Adjusted EBITDA does not reflect the non-cash component of share-based compensation;

- Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters we consider not to be reflective, on a recurring basis, of our ongoing operations; and

- other companies in our industry may calculate Adjusted EBITDA or similarly titled measures differently than we do, limiting its usefulness as a comparative measure.

We adjust for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA, as well as our other non-GAAP financial measures, only as supplemental information.

Adjusted Net Income and Adjusted Earnings per Share

Adjusted Net Income is defined as net income adjusted to add back certain charges and expenses, such as non-cash amortization of intangible assets resulting from business acquisition transactions, which will recur in future periods until these assets have been fully amortized, non-cash compensation costs and other items set forth in the table below, as these charges and expenses are not considered a part of our core business operations and are not an indicator of ongoing, future company performance.

Adjusted Earnings per Share - Basic and Diluted is calculated by dividing Adjusted Net Income by GAAP weighted-average common shares outstanding (basic and diluted).

Adjusted Net Income for the three months ended September 30, 2023 was $18.4 million, representing a decrease of $2.3 million from Adjusted Net Income of $20.7 million for the three months ended September 30, 2022. The decrease in Adjusted Net Income was primarily due to the decrease in Net Income discussed above and the lower net effect of the adjusting items detailed in the table below.

The following table presents the reconciliation of Net Income, our closest GAAP measure, to Adjusted Net Income:

| | Three Months Ended September 30, | |
|---|---|---|
| *(in thousands, except for per share data)* | 2023 | 2022 |
| **Net Income** | **$ 14,832** | **$ 16,626** |
| **Adjusted for:** | | |
| Share-based compensation (a) | 2,274 | 2,625 |
| Restructuring costs (b) | 1,145 | — |
| Transaction costs (c) | 13 | 258 |
| Loss on bank closure (d) | — | 1,583 |
| Other charges and expenses (e) | 535 | 301 |
| Amortization of intangibles (f) | 1,228 | 972 |
| Income tax benefit related to adjustments (g) | (1,602) | (1,632) |
| **Adjusted Net Income** | **$ 18,425** | **$ 20,733** |
| | | |
| **Adjusted Earnings per Share** | | |
| Basic | $ 0.52 | $ 0.55 |
| Diluted | $ 0.51 | $ 0.54 |
| | | |
| **Weighted-average common shares outstanding** | | |
| Basic | 35,320,809 | 37,390,632 |
| Diluted | 36,082,163 | 38,425,868 |

(a) Represents share-based compensation relating to equity awards granted primarily to employees and independent directors of the Company.
(b) Represents primarily severance, write-off of fixed assets and professional fees related to the restructuring of La Nacional.
(c) Represents primarily financial advisory, professional and legal fees related to business acquisition transactions.
(d) Represents losses related to the closure of a financial institution in Mexico during 2021.
(e) Represents primarily loss on disposal of fixed assets.
(f) Represents the amortization of intangible assets that resulted from business acquisition transactions.
(g) Represents the current and deferred tax impact of the taxable adjustments to Net Income using the Company’s blended federal and state tax rate for each period. Relevant tax-deductible adjustments include all adjustments to Net Income.

Adjusted Earnings per Share - Basic for the three months ended September 30, 2023 was $0.52, representing a decrease of $0.03, or 5.5%, compared to $0.55 for the three months ended September 30, 2022. The decrease in Adjusted Earnings per Share - Basic was primarily due to lower net income for the period combined with the lower net effect of the adjusting items detailed in the table above, partially offset by the effect of a lower weighted average common shares total for the period due to stock repurchases.

Adjusted Earnings per Share - Diluted for the three months ended September 30, 2023 was $0.51, representing a decrease of $0.03, or 5.6%, compared to $0.54 for the three months ended September 30, 2022. The decrease in Adjusted Earnings per Share - Diluted was primarily due to lower net income for the period combined with the lower net effect of the adjusting items detailed in the table above, partially offset by the effect of a lower weighted average common shares total for the period due to stock repurchases.

The following table presents the reconciliation of GAAP Earnings per Share, our closest GAAP measure, to Adjusted Earnings per Share:

| | Three Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| | **Basic** | **Diluted** | **Basic** | **Diluted** |
| **GAAP Earnings per Share** | **$ 0.42** | **$ 0.41** | **$ 0.44** | **$ 0.43** |
| **Adjusted for:** | | | | |
| Share-based compensation | 0.06 | 0.06 | 0.07 | 0.07 |
| Restructuring costs | 0.03 | 0.03 | — | — |
| Transaction costs | — | — | 0.01 | 0.01 |
| Loss on bank closure | — | — | 0.04 | 0.04 |
| Other charges and expenses | 0.02 | 0.01 | 0.01 | 0.01 |
| Amortization of intangibles | 0.03 | 0.03 | 0.03 | 0.03 |
| Income tax benefit related to adjustments | (0.05) | (0.04) | (0.04) | (0.04) |
| **Adjusted Earnings per Share** | **$ 0.52** | **$ 0.51** | **$ 0.55** | **$ 0.54** |

The table above may contain slight summation differences due to rounding.

Adjusted EBITDA

Adjusted EBITDA is defined as net income before depreciation and amortization, interest expense, income taxes, and also adjusted to add back certain charges and expenses, such as non-cash share-based compensation costs and other items set forth in the table below, as these charges and expenses are not considered a part of our core business operations and are not an indicator of ongoing, future company performance.

Adjusted EBITDA for the three months ended September 30, 2023 was $31.7 million, representing an increase of $3.9 million, or 14.0%, from $27.8 million for the three months ended September 30, 2022. The increase in Adjusted EBITDA was primarily due to the decrease in Net Income discussed above, partially offset by the higher net effect of the adjusting items detailed in the table below.

The following table presents the reconciliation of Net Income, our closest GAAP measure, to Adjusted EBITDA:

| | Three Months Ended September 30, | |
|---|---|---|
| *(in thousands)* | 2023 | 2022 |
| **Net Income** | **$ 14,832** | **$ 16,626** |
| **Adjusted for:** | | |
| Interest expense | 2,801 | 1,466 |
| Income tax provision | 6,619 | 2,654 |
| Depreciation and amortization | 3,472 | 2,278 |
| **EBITDA** | **27,724** | **23,024** |
| Share-based compensation (a) | 2,274 | 2,625 |
| Restructuring costs (b) | 1,145 | — |
| Transaction costs (c) | 13 | 258 |
| Loss on bank closure (d) | — | 1,583 |
| Other charges and expenses (e) | 535 | 301 |
| **Adjusted EBITDA** | **$ 31,691** | **$ 27,791** |

(a) Represents share-based compensation relating to equity awards granted primarily to employees and independent directors of the Company.
(b) Represents primarily severance, write-off of fixed assets and professional fees related to the restructuring of La Nacional.
(c) Represents primarily financial advisory, professional and legal fees related to business acquisition transactions.
(d) Represents losses related to the closure of a financial institution in Mexico during 2021.
(e) Represents primarily loss on disposal of fixed assets.

### Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

***Revenues***

Revenues for the above periods are presented below:

| ($ in thousands) | Nine Months Ended September 30, 2023 | % of Revenues | Nine Months Ended September 30, 2022 | % of Revenues |
|---|---|---|---|---|
| Revenues: | | | | |
| Wire transfer and money order fees, net | $ 416,355 | 86 % | $ 336,340 | 86 % |
| Foreign exchange gain, net | 64,239 | 13 % | 52,719 | 13 % |
| Other income | 6,358 | 1 % | 3,309 | 1 % |
| Total revenues | $ 486,952 | 100 % | $ 392,368 | 100 % |

Wire transfer and money order fees, net of $416.4 million for the nine months ended September 30, 2023 increased by $80.1 million, or 23.8%, from $336.3 million for the nine months ended September 30, 2022. The increase was primarily due to a 26.9% increase in transaction volume in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, largely due to the continued growth in our agent network that expanded as a result of the La Nacional and LAN Holdings acquisitions, which network increased on a net basis by 16.2% when compared to September 30, 2022. These increases were partially offset by a lower average price per transaction on money transfers processed by La Nacional and LAN Holdings that is consistent with the conditions of the markets in which they operate.

Revenues from foreign exchange gain, net of $64.2 million for the nine months ended September 30, 2023 increased by $11.5 million, or 21.8%, from $52.7 million for the nine months ended September 30, 2022. This increase was primarily due to higher transaction volume achieved by growth in our agent network as well as increased foreign exchange volatility in the Guatemalan quetzal during the nine months ended September 30, 2023.

Other income of $6.4 million for the nine months ended September 30, 2023 increased by $3.1 million, or 93.9%, from $3.3 million for the nine months ended September 30, 2022 primarily due to the impact of the revenue generated from other ancillary services provided by La Nacional and LAN Holdings to a particular segment of their consumer bases and commercial customers, an increase in fees related to higher volume of transfers deemed abandoned property, and fees related to advances to sending agents as well as an increase in income related to money transfer transactions paid with debit or credit cards.

***Operating Expenses***

Operating expenses for the above periods are presented below:

| ($ in thousands) | Nine Months Ended September 30, 2023 | % of Revenues | Nine Months Ended September 30, 2022 | % of Revenues |
|---|---|---|---|---|
| Operating expenses: | | | | |
| Service charges from agents and banks | $ 319,983 | 66 % | $ 262,717 | 67 % |
| Salaries and benefits | 52,415 | 11 % | 36,911 | 9 % |
| Other selling, general and administrative expenses | 37,210 | 7 % | 24,964 | 6 % |
| Depreciation and amortization | 9,511 | 2 % | 6,712 | 2 % |
| Total operating expenses | $ 419,119 | 86 % | $ 331,304 | 84 % |

*Service charges from agents and banks* — Service charges from agents and banks were $320.0 million for the nine months ended September 30, 2023 compared to $262.7 million for the nine months ended September 30, 2022. The increase of $57.3 million, or 21.8%, was primarily due to the increase in transaction volume described above.

*Salaries and benefits* — Salaries and benefits of $52.4 million for the nine months ended September 30, 2023 increased by $15.5 million, or 42.0%, from $36.9 million for the nine months ended September 30, 2022. The increase is primarily due to $15.0 million spent in talent acquisition and retention, as well as increased wages, including the additional compensation related to La Nacional and LAN Holdings employees, which represents approximately 27.1% of salaries and benefits. The increase also includes $0.8 million in severance payments and related benefits as a result of the execution of the restructuring of La Nacional. These increases were partially offset by a $0.3 million decrease in incentive bonus expense as a result of lower than expected performance. Salaries and benefits for the nine months ended September 30, 2023 represent 11% of total Revenues compared to 9% for the nine months ended September 30, 2022, which increase is attributable to our expanded workforce as a result of the La Nacional and LAN Holdings acquisitions as they operate independently in the execution of certain operational functions.

*Other selling, general and administrative expenses* — Other selling, general and administrative expenses of $37.2 million for the nine months ended September 30, 2023 increased by $12.2 million, or 48.8%, from $25.0 million for the nine months ended September 30, 2022.

The increase was primarily the result of:

- $5.7 million - higher facilities and rent expenses for scheduled maintenance and contracted lease rate increases to support our business growth and expenses related to the company-operated stores and other facilities added as a result of the La Nacional and LAN Holdings acquisitions;
- $2.5 million - higher IT related expenses incurred to sustain our business expansion and to improve our technology environment;
- $1.7 million - increase in provision for credit losses due to higher net write-offs of accounts receivable during the nine months ended September 30, 2023 compared to the same period in 2022, primarily as a result of sending agents that were not able to pay in accordance with the original terms and are, accordingly, subject to our normal collection procedures;
- $0.8 million - higher loss on disposal of assets primarily due to replacement of equipment used by our agent network and write-off of equipment assigned to sending agents closed during the nine months ended September 30, 2023, as well as $0.3 million in computer equipment write offs related to the restructuring of La Nacional;
- $0.6 million - higher audit related and professional fees to support our internal audit and compliance functions; and
- $0.3 million - higher travel costs, primarily of our sales force, to support or business growth and expansion.

These increases were partially offset by:

- $0.5 million - in lower advertising and promotion expenses, primarily as a result of lower investment in advertising during 2023 and higher co-branding investment by some of our paying agents during 2022.

*Depreciation and amortization* — Depreciation and amortization of $9.5 million for the nine months ended September 30, 2023 increased by $2.8 million from $6.7 million or 41.8% for the nine months ended September 30, 2022. The increase is the result of a $1.3 million increase in depreciation associated with additional software developed and computer equipment acquired to support our growing business and sending agent network, as well as approximately $0.9 million of depreciation for assets assumed in the La Nacional and LAN Holdings acquisitions and approximately $1.4 million for amortization of intangibles resulting from the La Nacional and LAN Holdings acquisitions. These increases were partially offset by a decrease of approximately $0.8 million in amortization related to our Intermex trade name, developed technology and agent relationships during the nine months ended September 30, 2023, as these intangibles are being amortized on an accelerated basis, which declines over time.

***Non-Operating Expenses***

*Interest expense* — Interest expense of $7.6 million for the nine months ended September 30, 2023 increased by $4.1 million, or 117.1%, from $3.5 million for the nine months ended September 30, 2022. The increase was primarily due to higher market interest rates paid under our Amended and Restated Credit Agreement, as well as higher and more frequent draws under our revolving credit facility during the nine months ended September 30, 2023.

*Income tax provision* — Income tax provision was $18.2 million for the nine months ended September 30, 2023, which represents an increase of $4.9 million from an income tax provision of $13.3 million for the nine months ended September 30, 2022. The increase in income tax provision was mainly attributable to an increase in our effective state tax rate primarily as a result of revenue from La Nacional earned during the nine months ended September 30, 2023, which is sourced to states with relatively higher tax rates and from increases in non-deductible officer expenses. In addition, the income tax provision for the nine months ended September 30, 2022 was favorably affected by a tax windfall from deductible stock-compensation as a result of stock option exercises during the period.

***Net Income***

We reported Net Income of $42.0 million for the nine months ended September 30, 2023 compared to Net Income of $44.3 million for the nine months ended September 30, 2022, which resulted in a decrease of $2.3 million, or 5.2%, due to the same factors discussed above.

***Non-GAAP Financial Measures***

Adjusted Net Income and Adjusted Earnings per Share

Adjusted Net Income (previously defined and used as described above) for the nine months ended September 30, 2023 was $51.0 million, representing a decrease of $1.4 million, or 2.7%, from Adjusted Net Income of $52.4 million for the nine months ended September 30, 2022. The decrease in Adjusted Net Income was primarily due to a decrease in Net Income discussed above partially offset by the higher net effect of the adjusting items detailed in the table below.

The following table presents the reconciliation of Net Income, our closest GAAP measure, to Adjusted Net Income:

| | Nine Months Ended September 30, | |
|---|---|---|
| *(in thousands, except for per share data)* | 2023 | 2022 |
| **Net Income** | **$ 42,016** | **$ 44,264** |
| **Adjusted for:** | | |
| Share-based compensation (a) | 6,217 | 5,558 |
| Restructuring costs (b) | 1,145 | — |
| Transaction costs (c) | 411 | 474 |
| Loss on bank closure (d) | — | 1,583 |
| Other charges and expenses (e) | 1,556 | 759 |
| Amortization of intangibles (f) | 3,562 | 2,916 |
| Income tax benefit related to adjustments (g) | (3,892) | (3,200) |
| **Adjusted Net Income** | **$ 51,015** | **$ 52,354** |
| | | |
| **Adjusted Earnings per Share** | | |
| Basic | $ 1.42 | $ 1.38 |
| Diluted | $ 1.39 | $ 1.35 |
| | | |
| **Weighted-average common shares outstanding** | | |
| Basic | 35,930,234 | 37,999,709 |
| Diluted | 36,767,680 | 38,907,283 |

(a) Represents share-based compensation relating to equity awards granted primarily to employees and independent directors of the Company.
(b) Represents primarily severance, write-off of fixed assets and professional fees related to the restructuring of La Nacional.
(c) Represents primarily financial advisory, professional and legal fees related to business acquisition transactions.
(d) Represents losses related to the closure of a financial institution in Mexico during 2021.
(e) Represents primarily loss on disposal of fixed assets.
(f) Represents the amortization of intangible assets that resulted from business acquisition transactions.
(g) Represents the current and deferred tax impact of the taxable adjustments to Net Income using the Company's blended federal and state tax rate for each period. Relevant tax-deductible adjustments include all adjustments to Net Income.

Adjusted Earnings per Share - Basic for the nine months ended September 30, 2023 was $1.42, representing an increase of $0.04, or 2.9%, compared to $1.38 for the nine months ended September 30, 2022. The increase in Adjusted Earnings per Share - Basic was primarily due to the higher net effect of the adjusting items detailed in the table above combined with a lower weighted average common shares total for the period due to stock repurchases, partially offset by the decrease in Net Income.

Adjusted Earnings per Share - Diluted for the nine months ended September 30, 2023 was $1.39, representing an increase of $0.04, or 3.0%, compared to $1.35 for the nine months ended September 30, 2022. The increase in Adjusted Earnings per Share - Diluted was primarily due to the higher net effect of the adjusting items detailed in the table above combined with a lower weighted average common shares total for the period due to stock repurchases, partially offset by the decrease in Net Income.

The following table presents the reconciliation of GAAP Earnings per Share, our closest GAAP measure, to Adjusted Earnings per Share:

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| | **Basic** | **Diluted** | **Basic** | **Diluted** |
| **GAAP Earnings per Share** | **$ 1.17** | **$ 1.14** | **$ 1.16** | **$ 1.14** |
| **Adjusted for:** | | | | |
| Share-based compensation | 0.17 | 0.17 | 0.15 | 0.14 |
| Restructuring costs | 0.03 | 0.03 | — | — |
| Transaction costs | 0.01 | 0.01 | 0.01 | 0.01 |
| Loss on bank closure | — | — | 0.04 | 0.04 |
| Other charges and expenses | 0.04 | 0.04 | 0.02 | 0.02 |
| Amortization of intangibles | 0.10 | 0.10 | 0.08 | 0.07 |
| Income tax benefit related to adjustments | (0.11) | (0.11) | (0.08) | (0.08) |
| **Adjusted Earnings per Share** | **$ 1.42** | **$ 1.39** | **$ 1.38** | **$ 1.35** |

The table above may contain slight summation differences due to rounding.

Adjusted EBITDA

Adjusted EBITDA (previously defined and used as described above) for the nine months ended September 30, 2023 was $86.7 million, representing an increase of $10.5 million, or 13.8%, from $76.2 million for the nine months ended September 30, 2022. The increase in Adjusted EBITDA was primarily due to the higher net effect of the adjusting items detailed in the table below, partially offset by the decrease in Net Income discussed above.

The following table presents the reconciliation of Net Income, our closest GAAP measure, to Adjusted EBITDA:

| | Nine Months Ended September 30, | |
|---|---|---|
| *(in thousands)* | 2023 | 2022 |
| **Net Income** | **$ 42,016** | **$ 44,264** |
| **Adjusted for:** | | |
| Interest expense | 7,643 | 3,530 |
| Income tax provision | 18,174 | 13,270 |
| Depreciation and amortization | 9,511 | 6,712 |
| **EBITDA** | **77,344** | **67,776** |
| Share-based compensation (a) | 6,217 | 5,558 |
| Restructuring costs (b) | 1,145 | — |
| Transaction costs (c) | 411 | 474 |
| Loss on bank closure (d) | — | 1,583 |
| Other charges and expenses (e) | 1,556 | 759 |
| **Adjusted EBITDA** | **$ 86,673** | **$ 76,150** |

(a) Represents share-based compensation relating to equity awards granted primarily to employees and independent directors of the Company.
(b) Represents primarily severance, write-off of fixed assets and professional fees related to the restructuring of La Nacional.
(c) Represents primarily financial advisory, professional and legal fees related to business acquisition transactions.
(d) Represents losses related to the closure of a financial institution in Mexico during 2021.
(e) Represents primarily loss on disposal of fixed assets.

**Liquidity and Capital Resources**

We consider liquidity in terms of our cash and cash equivalents position, cash flows from operations and their sufficiency to fund business operations, including working capital needs, debt service, acquisitions, capital expenditures, contractual obligations and other commitments. In particular, to meet our payment service obligations at all times, we must have sufficient highly liquid assets and be able to move funds on a timely basis.

Our principal sources of liquidity are our cash generated by operating activities supplemented with borrowings under our revolving credit facility. Our primary cash needs are for day-to-day operations, to pay interest and principal on our indebtedness, to fund working capital requirements and to make capital expenditures.

We have funded and still expect to continue funding our liquidity requirements through internally generated funds, supplemented in the ordinary course, with borrowings under our revolving credit facility. We maintain a strong cash and cash equivalents balance position and have access to committed funding sources, which we have used only on an ordinary course basis during the nine months ended September 30, 2023. Therefore, we believe that our current cash and cash equivalents position, as well as projected cash flows generated from operations, together with borrowings under our revolving credit facility are sufficient to fund our principal and interest payments, lease expenses, our working capital needs, our business acquisitions and our expected capital expenditures for at least the next twelve months.

*Credit Agreement*

We maintain an Amended and Restated Credit Agreement (as amended as described below, the “A&R Credit Agreement”) with a group of banking institutions. The A&R Credit Agreement provided for a $150.0 million revolving credit facility, an $87.5 million term loan facility and an uncommitted incremental facility, which may be utilized for additional revolving or term loans, of up to $70.0 million. The A&R Credit Agreement also provides for the issuance of letters of credit, which would reduce availability under the revolving credit facility. The proceeds of the term loan were used to refinance the existing term loan under the Company’s previous credit agreement, and the revolving credit facility is available for working capital, general corporate purposes and to pay fees and expenses in connection with this transaction. The maturity date of the A&R Credit Agreement is June 24, 2026.

In November 2022, the A&R Credit Agreement was amended to replace the London Inter-bank Offered Rate (“LIBOR”) as a benchmark interest rate for loans with the secured overnight financing rate as administered by the Federal Reserve Bank of New York (“SOFR”).

Effective as of April 18, 2023, the Company amended the A&R Credit Agreement to increase the revolving credit commitments thereunder by $70.0 million to an aggregate of $220.0 million. The credit commitments are available for general corporate purposes to support the Company’s growth and to fund working capital needs and will be subject to the same interest rate and other terms applicable to the outstanding revolving credit commitments under the A&R Credit Agreement. Refer to Note 10 for additional information. In addition, as amended, the A&R Credit Agreement provides the Company with a refreshed uncommitted incremental facility which may be utilized for new revolving credit facilities or term loans in an aggregate amount of up to $70.0 million.

As of September 30, 2023, we had $77.1 million of borrowings under the term loan facility excluding debt origination costs of $1.4 million. As of September 30, 2023, there were $124.0 million of outstanding amounts drawn on the revolving credit facility. There were $166.0 million of additional borrowings available under these facilities as of September 30, 2023.

At the election of the Company, interest on the term loan facility and revolving loans under the A&R Credit Agreement may be determined by reference to SOFR plus an index adjustment of 0.10% and an applicable margin ranging between 2.50% and 3.00% based upon the Company’s consolidated leverage ratio, as calculated pursuant to the terms of the A&R Credit Agreement. Loans (other than Term Loans, as defined in the A&R Credit Agreement), may also bear interest at the base rate plus an applicable margin ranging between 1.50% and 2.00% based upon the Company’s consolidated leverage ratio, as so calculated. The Company is also required to pay a fee on the unused portion of the revolving credit facility equal to 0.35% per annum. The effective interest rates for the nine months ended September 30, 2023 for the term loan facility and revolving credit facility were 8.21% and 1.90%, respectively.

Interest is payable (x)(i) generally on the last day of each interest period selected for SOFR loans, but in any event, not less frequently than every three months, and (ii) on the last business day of each quarter for base rate loans and (y) at final maturity.

The principal amount of the term loan facility under the A&R Credit Agreement must be repaid in consecutive quarterly installments of 5.0% in years 1 and 2, 7.5% in year 3, and 10.0% in years 4 and 5, in each case on the last day of each quarter, which commenced in September 2021 with a final balloon payment at maturity. The term loans under the A&R Credit Agreement may be prepaid at any time without premium or penalty. Revolving loans may be borrowed, repaid and reborrowed from time to time in accordance with the terms and conditions of the A&R Credit Agreement. The Company is also required to repay the loans upon receipt of net proceeds from certain casualty events, upon the disposition of certain property and upon incurrence of indebtedness not permitted by the A&R Credit Agreement.

In addition, the Company is required to make mandatory prepayments annually from excess cash flow if the Company's consolidated leverage ratio (as calculated under the A&R Credit Agreement) is greater than or equal to 3.0, and the remainder of any such excess cash flow is contributed to the available amount which may be used for a variety of purposes, including investments and distributions.

The A&R Credit Agreement contains financial covenants that require the Company to maintain a quarterly minimum fixed charge coverage ratio of 1.25:1.00 and a quarterly maximum consolidated leverage ratio of 3.25:1.00. As of September 30, 2023, we were in compliance with the covenants of the A&R Credit Agreement. The A&R Credit Agreement generally restricts the ability of the Company to make certain restricted payments, including the repurchase of shares of its common stock, provided that the Company may make restricted payments, among others, (i) without limitation so long as the Consolidated Leverage Ratio (as defined in the A&R Credit Agreement), as of the then most recently completed four fiscal quarters of the Company, after giving pro forma effect to such restricted payments, is 2.25:1.00 or less, (ii) that do not exceed, in the aggregate during any fiscal year, the greater of (x) $23.8 million and (y) 25.00% of Consolidated EBITDA (as defined in the A&R Credit Agreement) for the then most recently completed four fiscal quarters of the Company and (iii) to repurchase Company common stock from current or former employees in an aggregate amount of up to $10.0 million per calendar year. The A&R Credit Agreement also contains covenants that limit the Company's and its subsidiaries' ability to, among other things, grant liens, incur additional indebtedness, make acquisitions or investments, dispose of certain assets, change the nature of their businesses, enter into certain transactions with affiliates or amend the terms of material indebtedness.

Our indebtedness could adversely affect our ability to raise additional capital, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk and prevent us from meeting our obligations. See "*Risk Factors—Risks Relating to Our Indebtedness—The Company's indebtedness may limit our operating flexibility and could adversely affect our business, financial condition and results of operations.*" included in our Annual Report on Form 10-K for the year ended December 31, 2022.

*Repurchase Program*

Prior to 2022, the Company's Board of Directors approved a stock repurchase program (the "Repurchase Program") that authorizes the Company to purchase up to $40.0 million of its outstanding shares of the Company's common stock. On March 3, 2023, the Board of Directors approved an increase to the Repurchase Program that authorizes the Company to purchase an additional $100.0 million of its outstanding shares. Under the Repurchase Program, the Company is authorized to repurchase shares from time to time in accordance with applicable laws, both on the open market and in privately negotiated transactions and may include the use of derivative contracts or structured share repurchase agreements. The timing and amount of repurchases depends on several factors, including market and business conditions, the trading price of the Company's common stock and the nature of other investment opportunities. The Repurchase Program may be limited, suspended or discontinued at any time without prior notice. The Repurchase Program does not have an expiration date. The A&R Credit Agreement, as amended, permits the Company to make restricted payments (including share repurchases, among others) under a variety of tests as described in the second preceding paragraph, including, without limitation, so long as the Consolidated Leverage Ratio (as defined in the A&R Credit Agreement, as amended), as of the then most recently completed four fiscal quarters of the Company, after giving pro forma effect to such restricted payments, is 2.25:1.00 or less.

The Company accounts for purchases of treasury stock under the cost method. Any direct costs incurred to acquire treasury stock are considered stock issue costs and added to the cost of the treasury stock. During the nine months ended September 30, 2023, including the shares purchased in the privately-negotiated transaction described below, the Company purchased 1,734,481 shares for an aggregate purchase price of $40.6 million. During the nine months ended September 30, 2022, the Company purchased 2,015,615 shares for an aggregate purchase price of $43.7 million. As of September 30, 2023, there was $80.7 million available for future share repurchases under the Repurchase Program.

*Privately-Negotiated Share Repurchase Transaction*

On May 5, 2023, the Company entered into an agreement with SPC Intermex, LP, a related party, for the purchase of 500,000 shares of the Company's common stock for a total purchase price of $12.6 million, or a per share price of $25.28, in a privately-negotiated transaction.

*Operating Leases*

We are party to operating leases for office space, warehouses and Company-operated store locations, which we use as part of our day-to-day operations. Operating lease expenses were $1.9 million and $6.0 million for the three and nine months ended September 30, 2023, respectively, which we expect to be consistent throughout the year. We have not entered into finance lease commitments. For additional information on operating lease obligations, refer to Note 7, *Leases*, to the Condensed Consolidated Financial Statements.

## Cash Flows

The following table summarizes the changes to our cash flows for the periods presented:

| | Nine Months Ended September 30, | |
|---|---|---|
| *(in thousands)* | 2023 | 2022 |
| Statement of Cash Flows Data: | | |
| Net cash provided by (used in) operating activities | $ 82,440 | $ (9,848) |
| Net cash used in investing activities | (13,188) | (9,380) |
| Net cash provided by (used in) financing activities | 2,827 | (7,990) |
| Effect of exchange rate changes on cash and cash equivalents | 875 | (204) |
| Net increase (decrease) in cash and cash equivalents | 72,954 | (27,422) |
| | | |
| Cash and cash equivalents, beginning of period | 149,493 | 132,474 |
| Cash and cash equivalents, end of period | $ 222,447 | $ 105,052 |

***Operating Activities***

Net cash provided by operating activities was $82.4 million for the nine months ended September 30, 2023, an increase of $92.3 million from net cash used in operating activities of $9.8 million for the nine months ended September 30, 2022. The increase is primarily a result of a $13.7 million change in working capital, which varies due to timing of transmittal orders and payments, as well as prefunding of payers primarily for weekends. The changes in working capital were impacted by lower cash generated by our operating results adjusted for higher noncash items for the nine months ended September 30, 2023, resulting from the further growth of the business.

***Investing Activities***

Net cash used in investing activities was $13.2 million for the nine months ended September 30, 2023, representing an increase of $3.8 million from net cash used in investing activities of $9.4 million for the nine months ended September 30, 2022. This increase in cash used was due to the acquisition of LAN Holdings through a cash transaction, which resulted in $5.5 million of cash used, net of cash acquired, partially offset by lower purchases of computer equipment during the nine months ended September 30, 2023 in comparison with the nine months ended September 30, 2022.

***Financing Activities***

Net cash provided by financing activities was $2.8 million for the nine months ended September 30, 2023, which primarily consisted of $48.0 million of borrowings, net under the revolving credit facility, $3.8 million in scheduled quarterly payments due on the term loan facility, $40.6 million used for repurchases of common stock, $1.0 million of payments for stock-based awards for shares withheld for tax payments in connection with share-based compensation arrangements and $0.7 million of debt origination costs related to the A&R Credit Agreement, partially offset by $1.0 million in proceeds from issuance of stock as a result of the exercise of stock options.

Net cash used in financing activities was $8.0 million for the nine months ended September 30, 2022, which primarily consisted of $3.3 million in scheduled quarterly payments due on the term loan facility, $43.7 million used for repurchases of common stock and $5.3 million of payments for stock-based awards for shares withheld in connection with share-based compensation arrangements, partially offset by $43.0 million of borrowings, net under the revolving credit facility and $1.4 million in proceeds from issuance of stock as a result of the exercise of stock options.

## Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions about future events that affect amounts reported in our condensed consolidated financial statements and related notes, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. Management evaluates its accounting policies, estimates and judgments on an on-going basis. Management bases its estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimate that are reasonably likely to occur, could materially impact the consolidated financial statements. Our Critical Accounting Policies and Estimates disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates*" in our Annual Report on Form 10-K for the year ended December 31, 2022, for which there were no material changes during the three and nine months ended September 30, 2023, included the following:

- Allowance for Credit Losses
- Goodwill and Intangible Assets
- Income Taxes

## Recent Accounting Pronouncements

Refer to Note 1, *Business and Accounting Policies*, of the Condensed Consolidated Financial Statements for information on recent accounting pronouncements.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

***Foreign Currency Risk***

We manage foreign currency risk through the structure of the business and an active risk management process. One of the methods to settle with our payers in Latin America is entering into foreign exchange tom and spot transactions with local and foreign currency providers (“counterparties”). The foreign currency exposure on our foreign exchange tom and spot transactions is limited by the fact that all transactions are settled within two business days from trade date. Foreign currency fluctuations, however, may negatively affect our average exchange gain per transaction. The Company had open tom and spot foreign exchange contracts for Mexican pesos and Guatemalan quetzales amounting to approximately $69.9 million and $41.3 million at September 30, 2023 and December 31, 2022, respectively.

In addition, included in wire transfers and money orders payable, net in our condensed consolidated balance sheets as of September 30, 2023 and December 31, 2022, there are $73.1 million and $39.3 million, respectively, of wires payable denominated in foreign currencies, primarily Mexican pesos and Guatemalan quetzales.

Also, included in prepaid wires, net in our condensed consolidated balance sheets as of September 30, 2023 and December 31, 2022, there are $73.3 million and $82.3 million, respectively, of prepaid wires denominated in foreign currencies, primarily Mexican pesos and Guatemalan quetzales.

We are also exposed to changes in currency rates as a result of our investments in foreign operations and revenues generated in currencies other than the U.S. dollar. Revenues and profits generated by international operations will increase or decrease because of changes in foreign currency exchange rates. This foreign currency risk is related primarily to our operations in our foreign subsidiaries. Revenues from our foreign subsidiaries represent less than 2% of our consolidated revenues for the nine months ended September 30, 2023. Therefore, a 10% increase or decrease in these currency rates against the U.S. Dollar would result in a de minimis change to our overall operating results.

The spot and average exchange rates for the currencies in which we operate to U.S. dollar are as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | **Spot**(1) | **Average**(2) | **Spot**(1) | **Average**(2) |
| U.S. dollar/Mexico Peso | 17.42 | 17.79 | 20.16 | 20.21 |
| U.S. dollar/Guatemala Quetzal | 7.84 | 7.82 | 7.86 | 7.74 |
| U.S. dollar/Canadian Dollar | 1.35 | 1.35 | 1.37 | 1.30 |
| U.S. dollar/Dominican Peso(3) | 56.77 | 55.19 | — | — |
| U.S. dollar/Euro(3) | 0.95 | 0.92 | — | — |

(1) Spot exchange rates are as of September 30, 2023 and December 31, 2022.
(2) Average exchange rates are for the nine months ended September 30, 2023 and 2022.
(3) We commenced operations in Dominican Republic and Europe in connection with the LAN Acquisition in April 2023 and, therefore, no information is provided prior to 2023.

Long-term sustained appreciation of the Mexican peso or Guatemalan quetzal as compared to the U.S. dollar could affect our profit margins.

***Interest Rate Risk***

As discussed above, interest under the A&R Credit Agreement is variable based on certain benchmark rates, including SOFR. Because interest expense is subject to fluctuation, if interest rates increase, our debt service obligations on such variable rate indebtedness would increase even though the amount borrowed remained the same. Accordingly, an increase in interest rates would adversely affect our profitability.

During the nine months ended September 30, 2023, the Federal Reserve continued raising the fed funds rate from 4.50% to 5.50% as a countermeasure to control inflation in the United States. As a consequence, other benchmark interest rates such as SOFR and previously LIBOR increased as well. These increases have resulted in the Company incurring higher interest expense. The Company expects that the Federal Reserve will continue to monitor the fed funds rate and may consider further increases through the remainder of 2023, which will continue exposing the Company to higher interest rate risk as benchmark interest rates such as SOFR will continue increasing as well. As of September 30, 2023, we had $77.1 million and $124.0 million in outstanding borrowings under the term loan facility and revolving credit facility, respectively. A hypothetical 1% increase or decrease in the interest rate on our indebtedness as of September 30, 2023 would have increased or decreased cash interest expense on our term loan facility and revolving credit facility by approximately $0.8 million and $1.2 million per annum, respectively.

***Credit Risk***

We maintain certain cash balances in various U.S. banks, which at times, may exceed federally insured limits. We have not incurred any losses on these accounts. In addition, we maintain cash in various bank accounts in Mexico, Guatemala, Canada, Spain and Italy and short-term investment accounts in Mexico, which may not be fully insured. During the nine months ended September 30, 2023, we did not incur any losses on these uninsured accounts. To manage our exposure to credit risk with respect to cash balances and other credit risk exposure resulting from our relationships with banks and financial institutions, we regularly review cash concentrations, and we attempt to diversify our cash balances among global financial institutions.

We are also exposed to credit risk related to receivable balances from sending agents. We perform a credit review before each agent signing and conduct ongoing analyses of sending agents and certain other parties we transact with directly. As of September 30, 2023, we also had $4.4 million outstanding of agent advances receivable from sending agents. Most of the agent advances receivable are collateralized by personal guarantees from the sending agents and by assets from their businesses.

Our provision for credit losses was approximately $3.8 million for the nine months ended September 30, 2023 (0.8% of total revenues) and $2.0 million for the nine months ended September 30, 2022 (0.4% of total revenues). The increase in our provision for credit losses in the nine months ended September 30, 2023 is due to higher write-offs of accounts receivable in 2023 compared to 2022 primarily as a result of sending agents that were not able to pay in accordance with the original terms and are, accordingly, subject to our normal collection procedures.

## ITEM 4. CONTROLS AND PROCEDURES

*Evaluation of Disclosure Controls and Procedures*

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules, regulations and related forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and President, and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within an organization have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

As required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, our Chief Executive Officer and President, and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of September 30, 2023. Based on their evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective and operating to provide reasonable assurance that material information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including ensuring that such material information is accumulated and communicated to our management, including our Chief Executive Officer and President, and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure as of September 30, 2023.

*Changes in Internal Control Over Financial Reporting*

During the most recently completed fiscal quarter, there have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

From time to time, we are subject to various claims, charges and litigation matters that arise in the ordinary course of business. We believe these actions are a normal incident of the nature and kind of business in which we are engaged. While it is not feasible to predict the outcome of these matters with certainty, we do not believe that any asserted or unasserted legal claims or proceedings, individually or in the aggregate, will have a material and adverse effect on our business, financial condition and results of operations.

Reference is made to Note 16 – Commitments and Contingencies in the Unaudited Condensed Consolidated Financial Statements of the Company contained elsewhere in this Quarterly Report on Form 10–Q for information regarding certain legal proceedings to which we are a party, which information is incorporated by reference herein.

### ITEM 1A. RISK FACTORS

There have been no material changes to our principal risks that we believe are material to our business, results of operations and financial condition, from the risk factors previously disclosed in the Annual Report on Form 10-K for the year ended December 31, 2022 (the “2022 Form 10-K”). Prospective investors are encouraged to consider the risks described in our 2022 Form 10-K, our Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in this Quarterly Report on Form 10-Q and in our 2022 Form 10-K, and other information publicly disclosed or contained in documents we file with the Securities and Exchange Commission before purchasing our securities.

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

***Issuer Purchases of Equity Securities***

The following table provides information about repurchases of our common stock during the quarter ended September 30, 2023:

| Period | Total Number of Shares Purchased (a) | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program (b) | Approximate Dollar Value of Shares that May Yet be Purchased under the Program |
|---|---|---|---|---|
| July 1 through July 31 | 148,795 | $ 25.17 | 146,861 | $ 86,975,093 |
| August 1 through August 31 | 185,721 | $ 18.09 | 184,821 | $ 83,630,977 |
| September 1 through September 30 | 171,531 | $ 17.37 | 170,218 | $ 80,673,907 |
| Total | 506,047 | | 501,900 | |

(a) Includes (i) 1,934, (ii) 900 and (iii) 1,313 shares withheld for income tax purposes in July 2023, August 2023 and September 2023, respectively, in connection with shares issued under compensation and benefit programs.

(b) On August 18, 2021, the Company’s Board of Directors approved a stock repurchase program (the “Repurchase Program”) that authorizes the Company to purchase up to $40.0 million of outstanding shares of the Company’s common stock. The Repurchase Program does not have an expiration date. On March 3, 2023 the Board of Directors approved an increase to the Repurchase Program that authorizes the Company to purchase an additional $100.0 million of its outstanding shares.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

During the quarter ended September 30, 2023, no officer or director of the Company adopted or terminated any contract, instruction, or written plan for the purchase or sale of securities of the Company’s common stock that is intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement as defined in 17 CFR § 229.408(c).

## ITEM 6. EXHIBITS

| Exhibit No. | Document |
|---|---|
| 10.1†* | Amended Employment Agreement effective as of October 1, 2023, between Randall Nilsen and the Company |
| 31.1* | Certification pursuant to Section 302 of the Sarbanes-Oxley Act - Chief Executive Officer |
| 31.2* | Certification pursuant to Section 302 of the Sarbanes-Oxley Act - Chief Financial Officer |
| 32.1# | Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350. |
| 32.2# | Certification of Chief Financial Officer pursuant to 18 U.S.C. § 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 |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase |
| 104* | The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, formatted in Inline XBRL (included with the Exhibit 101 attachments). |

* Filed herewith.
\# Furnished herewith.
† Management contract or compensatory plan or arrangement.

**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.

| | | |
|---|---|---|
| | **International Money Express, Inc. (Registrant)** | |
| Date: November 7, 2023 | By: | /s/ Robert Lisy |
| | | **Robert Lisy** |
| | | **Chief Executive Officer and President** |
| | | **(Principal Executive Officer)** |
| Date: November 7, 2023 | By: | /s/ Andras Bende |
| | | **Andras Bende** |
| | | **Chief Financial Officer** |
| | | **(Principal Financial Officer)** |

# AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT ("Amended & Restated Agreement") dated as of October 1st, 2023 (the "Effective Date"), between **INTERNATIONAL MONEY EXPRESS, INC.**, a Delaware corporation ("Employer" or "Company"), and **RANDALL NILSEN**, a Florida resident ("Executive" or "Mr. Nilsen").

## *RECITALS*

WHEREAS, Executive was originally employed by entering into an Employment Agreement, between Mr. Nilsen and Employer's subsidiaries and related companies, dated as of October 12th, 2015, subsequently as amended in February 1, 2017, (the "Prior Employment Agreement"); and

WHEREAS, Executive tendered his resignation as Chief Revenue Officer on September 1, 2023 to be effective September 30, 2023; and

WHEREAS, effective September 30, 2023, the Executive is no longer an executive officer of the Company; and

WHEREAS, as of Effective Date the Executive has since been appointed and assumed the position of Executive Vice President of Intermex Retail Sales, U.S and Canada.; and

WHEREAS, the Executive and the Employer desire that Executive's employment with Employer continue pursuant to the terms of this Amended & Restated Agreement, which replaces and supersedes the Prior Employment Agreement primarily to reflect the current terms of employment as agreed upon by the Executive and the Employer; and

WHEREAS, Executive and the Employer agree that certain unvested equity compensation is to be forfeited as of the Effective Date in connection with the resignation as an executive officer of the Employer and, certain conditioned on the Executive's continued employment throughout the Initial Term, certain other unvested equity compensation may accelerate vesting to the last day of the Initial Term.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Employer and Executive have agreed and do hereby agree as follows:

## ARTICLE I

## Employment

SECTION 1.01 Term. The term of Executive's employment under this Amended & Restated Agreement shall commence on the Effective Date and shall be effective until March 31, 2024 (the "Initial Term"), however can be extended by mutual written consent (such period of employment any such extension of the Initial Term, the "Term"). Unless Employer and Executive otherwise agree in writing, this Amended & Restated Agreement shall continue until it terminates pursuant to Article IV. Executive's employment with Employer will be "at will" and, subject to the provisions of Article IV, Executive's employment under this Amended & Restated Agreement may be terminated by either party at any time and for any reason. Executive's employment under this Amended & Restated Agreement shall terminate automatically upon Executive's death.

SECTION 1.02 Position and Duties. Executive shall, during the term of employment under this Amended & Restated Agreement, perform the services and duties as Executive Vice President of Intermex Retail Sales, U.S. and Canada with focus on retail sales for the Intermex branded money remittance services as determined from time to time by the Mr. Robert W. Lisy, the Chief Executive Officer, President and Chairman. Executive shall perform such services and duties in accordance with the policies, practices and bylaws of Employer. Executive may need to travel from time to time, however the Executive will work and be based out of Florida and work remotely.

SECTION 1.03 Time and Effort. Executive shall serve Employer faithfully, loyally, honestly and to the best of Executive's ability. Executive shall devote all Executive's business time and best efforts to the performance of Executive's duties on behalf of Employer. During Executive's term of employment, Executive shall not at any time or place or to any extent whatsoever, either directly or indirectly, without the express written consent of the Board, engage in any outside employment or in any activity that, in the judgment of Employer, is competitive with or adverse to the business, practice or affairs of Employer or any of its affiliates, whether or not such activity is pursued for gain, profit or other pecuniary advantage.

ARTICLE II

Compensation

SECTION 2.01 Base Salary. During the term of Executive's employment under this Amended & Restated Agreement, Employer shall, as compensation for the obligations set forth herein and for all services rendered by Executive in any capacity during Executive's employment under this Amended & Restated Agreement, including services as an officer, employee, director or member of any governing body, or committee thereof, of Employer or any of their affiliates, pay Executive a base salary (herein "Base Salary") at the annual rate of $300,000 per year, payable in accordance with Employer's standard payroll practices as in effect from time to time. In the event that sickness or disability payments under any insurance programs of Employer or otherwise shall become payable to Executive in respect of any period of Executive's employment under this Amended & Restated Agreement, the salary installment payable to Executive hereunder on the next succeeding salary installment payment date shall be an amount computed by subtracting (a) the amount of such sickness or disability payments that shall have become payable during the period between such date and the immediately preceding salary installment date from (b) the salary installment otherwise payable to Executive hereunder on such date.

SECTION 2.02 Quarterly Bonus. During the term of Executive's employment under this Amended & Restated Agreement, Executive shall be eligible to participate in Employer's quarterly incentive compensation plan, as may be continued or established by the Board, in its discretion, from time to time (the "Bonus Plan") and shall have the opportunity to earn a performance based bonus with a target of fifty percent (50%) of Base Salary on an annual basis, with a proportionate amount payable quarterly ("Quarterly Bonus"), based on achievement of Gross Margin Targets (GMTs). The amount of any Quarterly Bonus actually payable to Executive shall be determined by the Board in its discretion and shall be payable in accordance with Employer's practices as of the date hereof or pursuant to such other procedures as may be agreed to between the Chief Executive Officer of Employer and the Board. Executive acknowledges that the Board may amend or modify from time to time the Bonus Plan, including modifying the performance requirements, target levels and participation terms thereof, and the Board reserves the right to terminate the Bonus Plan at any time and for any reason.

SECTION 2.03 Equity Awards.

(a) Forfeiture and Acceleration of Certain Unvested Equity Awards.

(i) *Performance Stock Units – 2021, 2022 & 2023 Grants*. In the event the Executive continues to be employed as of 12/31/23, Employer shall continue to be eligible to vest in the 2021 Performance Stock Units (PSUs) awarded on 03/4/21, as reflected in Exhibit B of this Agreement, consistent with the original terms of the applicable award agreement. The Executive acknowledges and agrees that the 3/23/2022 and 3/3/2023 PSU grants are hereby forfeited effective as of the Effective Date, as the Executive is no longer serving as an executive officer of the Employer, notwithstanding the terms of the applicable award agreement, and except for the PSU 2021 award agreement, the applicable PSU 2022 and 2023 award agreements are hereby deemed terminated to reflect such forfeiture.

(ii) *Restricted Stock Units – 2021, 2022 & 2023 Grants*. In the event the Executive continues to be employed until the last day of the Initial Term:

(1) regularly scheduled Restricted Stock Units (RSUs), in the amount of 13,170 RSUs, shall continue to vest in accordance with their respective vesting schedules as set forth in the applicable award agreements; and

(2) fifty percent (50%) of the anticipated remaining 25,136 unvested RSUs as of the last day of the Initial Term (that is, 12,568 RSUs) shall vest on the expiration of the Initial Term, as reflected in Exhibit B of this Agreement , and the applicable award agreements are hereby deemed amended to reflect such opportunity for accelerated vesting.

(3)*Forfeiture of Remaining Unvested Equity*. The remaining 12,568 Unvested RSUs are hereby forfeited effective as of the Effective Date, and the applicable award agreements are hereby deemed amended to reflect such forfeiture.

(b) New Equity. Subject to the terms and conditions of the Employer's 2020 Omnibus Equity Compensation Plan (the "Plan"), including approval by the Compensation Committee, Executive will be eligible to receive the equivalent of fifty percent (50%) of Base Salary in RSUs at the time of the next annual grant of equity to employees generally, which shall vest in accordance with the terms of the standard RSU award agreement under the Plan for employees.

## ARTICLE III

## Executive Benefits

SECTION 3.01 Benefit Plans. During the term of Executive's employment under this Amended & Restated Agreement, Executive shall be entitled to participate in any benefit plans (excluding severance, bonus, incentive or profit sharing plans) offered by Employer as in effect from time to time (collectively, "Benefit Plans") on the same basis as that generally made available to other employees of Employer to the extent Executive may be eligible to do so under the terms of any such Benefit Plan. Executive understands that any such Benefit Plans may be terminated or amended from time to time by Employer in their discretion; provided, however, that, if such Benefit Plans cease to include medical and dental plans, Executive shall be eligible to receive medical and dental benefits substantially comparable to such benefits provided by Employer to Executive under Employer's medical and dental plans as of the date hereof. Notwithstanding the first sentence of this Section 3.01, nothing shall preclude Executive from participating during the term of Executive's employment under this Amended & Restated Agreement in any present or future bonus, incentive or profit sharing plan or other plan of

Employer for the benefit of its employees, in each case as and to the extent approved or determined by the Board in its discretion and subject to Section 2.02.

SECTION 3.02 Expenses. Employer will reimburse Executive for all reasonably incurred business expenses, subject to the travel and expense policy established by Employer from time to time, incurred by Executive during the term of Executive's employment under this Amended & Restated Agreement in the performance of Executive's duties hereunder, provided that Executive furnishes to Employer adequate records and other documentary evidence required to substantiate such expenditures.

SECTION 3.03 Vacation. During the Term of Executive's employment under this Amended & Restated Agreement, Executive shall receive 20 paid vacation days per year, which shall be accrued and taken in accordance with Employer's vacation policy. Executive will be entitled to rollover five (5) vacation days from 2023 into 2024 and subsequent years.

ARTICLE IV

Termination

SECTION 4.01 Exclusive Rights. The amounts payable under this Article IV are intended to be, and are, exclusive and in lieu of any other rights or remedies to which Executive may otherwise be entitled, including under common, tort or contract law, under policies of Employer and its affiliates in effect from time to time, under this Amended & Restated Agreement or otherwise, in the event of Executive's termination of employment with Employer and its affiliates.

SECTION 4.02 Termination by Employer for Cause.

(a) If Employer terminates Executive for Cause (as defined below), Executive shall be entitled to receive (i) Base Salary earned through the date of termination that remains unpaid as of the date of Executive's termination, (ii) any accrued and unpaid bonus for any previously completed bonus period that Executive is entitled to receive as of the date of termination that remains unpaid as of the date of Executive's termination, (iii) reimbursement for any unreimbursed business expenses properly incurred by Executive prior to the date of Executive's termination to the extent such expenses are reimbursable under Section 3.02 and (iv) such benefits (excluding benefits under any severance plan, program or policy then in effect), if any, to which Executive may be entitled under the Benefit Plans as of the date of Executive's termination, which benefits shall be payable in accordance with the terms of such Benefits Plans (the amounts described in clauses (i) through (iv) of this Section 4.02(a) being referred to herein as the "Accrued Rights").

(b) For purposes of this Amended & Restated Agreement, the term "Cause" shall mean Executive's (i) willful failure to perform those duties that Executive is required to perform as an employee under this Amended & Restated Agreement, (ii) conviction of, or a plea of guilty or nolo contendere to, a misdemeanor involving moral turpitude, dishonesty, theft, unethical business conduct or conduct that significantly impairs the reputation of Employer or any of its subsidiaries or affiliates or a felony (or the equivalent thereof in a jurisdiction other than the United States), (iii) gross negligence, malfeasance or willful misconduct in connection with Executive's duties hereunder (either by an act of commission or omission) that is significantly injurious to the financial condition or business reputation of Employer or any of its subsidiaries or affiliates, (iv) breach of the provisions of Section 5.03 or 5.04 or (v) a breach of the provisions of Article V (other than Section 5.03 or 5.04) that either (A) is materially damaging to the business or reputation of Employer or any of its affiliates or (B) occurs after

Employer has notified Executive of a prior breach of such Article V (other than Section 5.03 or 5.04).

(c) If Employer desires to terminate Executive's employment for Cause in the case of clauses (i), (ii) and (iii) of Section 4.02(b) and the basis for Cause, by its nature, is capable of being cured, Employer shall first provide Executive with written notice of the applicable event that constitutes the basis for Cause (a "Cause Notice") within ten days of the Board's becoming aware of such event. Such notice shall specifically identify such claimed breach. Executive shall have 15 days following receipt of such Cause Notice (the "Cause Cure Period") to cure such basis for Cause, and Employer shall be entitled at the end of such Cause Cure Period to terminate Executive's employment under this Amended & Restated Agreement for Cause, provided, however, that, if such breach is cured within the Cause Cure Period or if Employer does not terminate Executive's employment with Employer within ten days after the end of the Cause Cure Period, Employer's termination of Executive's employment shall not be deemed to be a termination for Cause.

SECTION 4.03 Termination by Employer Other Than for Cause, Disability or Death. (a) If Employer elects to terminate Executive's employment for any reason other than Cause, Disability (as defined below) or death, (i) Employer shall continue to pay Executive's Base Salary through the period of time ending six (6) months ("Severance") after the date of Executive's termination of employment, payable in installments at the same times at which and in the same manner in which such Base Salary would have been payable to Executive had a termination of employment not occurred, (ii) Executive shall be entitled to receive an amount equal to (A) the product of (1) Executive's target bonus for the calendar year in which Executive's termination of employment hereunder occurs and (2) a fraction equal to (I) the number of days elapsed in such calendar year prior to Executive's termination of employment hereunder, divided by (II) 365, less (B) any bonus for such calendar year paid to Executive (1) prior to his termination of employment with Employer or (2) pursuant to clause (ii) of the definition of Accrued Rights set forth above, payable in equal installments during the six (6) month period following such termination of employment at the same times as Employer's payroll applicable to the other employees of Employer is paid, (iii) Executive shall be entitled to the Accrued Rights; provided, however, that, in the case of clauses (i), (ii) and (iii), Employer shall not be obligated to (x) commence such payments until such time as Executive has provided a general release in favor of Employer its subsidiaries and affiliates, and its respective directors, officers, employees, agents and representatives in form and substance acceptable to Employer and such general release has become effective and irrevocable (such date, the "Release Effective Date"), except that any payments that would have otherwise been paid to Executive following the date of the termination of employment and prior to the Release Effective Date shall be accumulated and paid to Executive in a lump sum on the first payment date following the Release Effective Date, and (y) continue such payments at any time following a breach of the provisions of Section 5.03 or 5.04 or a breach of the provisions of Article V (other than Section 5.03 or 5.04) that either (A) is materially damaging to the business or reputation of Employer or any of its affiliates or (B) occurs after Employer has notified Executive of a prior breach of such Article V (other than Section 5.03 or 5.04); provided, further, that if the Release Effective Date does not occur within sixty (60) days of the date of termination of employment, Employer shall not be obligated to make payments under clauses (i) and (ii) above. In the event the Employer opts not to renew this Amended & Restated Agreement beyond the Term, the Executive shall be entitled to the Severance payment detailed above, which shall be considered as a Separation Payment.

SECTION 4.04 Termination for Disability or Death. Executive's employment shall terminate automatically upon Executive's death. Employer may terminate Executive's employment upon the occurrence of Executive's Disability. In the event of Executive's termination due to death or Disability, Executive, or Executive's estate, as the case may be, shall be entitled to receive the Accrued Rights. For purposes of this Amended & Restated Agreement, the term “Disability” shall mean (a) the inability of Executive, due to illness, accident or any other physical or mental incapacity, to perform Executive’s duties in a normal manner for a period of one hundred twenty (120) days (whether or not consecutive) in any twelve (12) month period during the term of Executive’s employment under this Amended & Restated Agreement or (b) the Executive’s being accepted for long-term disability benefits under any long-term disability plan in which he is then participating. The Board shall determine, according to the facts then available, whether and when the Disability of Executive has occurred. Such determination shall not be arbitrary or unreasonable and the Board will take into consideration the expert medical opinion of a physician chosen by Employer, after such physician has completed an examination of Executive. Executive agrees to make himself available for such examination upon the reasonable request of Employer.

SECTION 4.05 Waiver of for Good Reason. The Executive acknowledges and agrees to the change in title and role described in Section 1.02 and that such change, and any related changes in duties and other actions of the Company, does not and shall not constitute “Good Reason” as defined in the Prior Agreement. However, in the event that such changes are deemed to be “Good Reason,” the Executive hereby waives and releases the Employer from any and all claims and rights under the Prior Employment Agreement.

ARTICLE V

Executive Covenants

SECTION 5.01 Employer Interests. (a) Executive acknowledges that Employer has expended substantial amounts of time, money and effort to develop business strategies, customer relationships, employee relationships, trade secrets and goodwill and to build an effective organization and that Employer has a legitimate business interest and right in protecting those assets as well as any similar assets that Employer may develop or obtain. Executive acknowledges that Employer is entitled to protect and preserve the going concern value of Employer and its business and trade secrets to the extent permitted by law. Executive acknowledges that Employer’s business is worldwide in nature and international in scope. Executive acknowledges and agrees that the restrictions imposed upon Executive under this Amended & Restated Agreement are reasonable and necessary for the protection of Employer’s goodwill, confidential information, trade secrets and customer relationships and that the restrictions set forth in this Amended & Restated Agreement will not prevent Executive from earning a livelihood without violating any provision of this Amended & Restated Agreement.

(b) As used in this Article V, the term “Employer” includes Employer’s subsidiaries and affiliates, and its and their predecessors, successors and assigns.

SECTION 5.02 Consideration to Executive. In consideration of Employer’s entering into this Amended & Restated Agreement and Employer’s obligations hereunder and other good and valuable consideration, the receipt of which is hereby acknowledged, and acknowledging hereby that Employer would not have entered into this Amended & Restated Agreement without the covenants contained in this Article V, Executive hereby agrees to be bound by the provisions and covenants contained in this Article V.

SECTION 5.03 Non-Solicitation. Executive agrees that, for the period commencing on the date hereof and terminating twenty-four (24) months after the date of Executive’s termination of employment with Employer, Executive shall not, and shall cause each of Executive’s affiliates (other than Employer) not to, directly or indirectly: (a) solicit any person or entity that is or was a sending agent, paying agent or otherwise a customer (or prospective customer) of Employer to (i) purchase any goods or services related to any Competitive Business from anyone other than Employer or (ii) reduce its volume of goods or services purchased from Employer, (b) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Amended & Restated Agreement) between Employer and suppliers, partners, members or investors of Employer, (c) other than on behalf of Employer, solicit, recruit or hire any employee or consultant of Employer or any person who has, at any time within twenty-four (24) months prior to such solicitation, recruitment or hiring, worked for or provided services to Employer, provided, however, that this clause (c) shall not preclude Executive from making solicitations of employment targeted to the general public or from hiring any employee who responds to such general solicitation, (d) solicit or encourage any employee or consultant of Employer to leave the employment of, or to cease providing services to, Employer or (e) assist any person or entity in any way to do, or attempt to do, anything prohibited by this Section 5.03.

SECTION 5.04 Non-Competition. (a) Executive agrees that, for the period commencing on the date hereof and terminating twelve (12) months after the date of Executive's termination of employment with Employer, Executive shall not, and shall cause each of Executive's affiliates (other than Employer) not to, directly or indirectly: (i) engage in or establish any Competitive Business (as defined below), including selling goods or services relating to any Competitive Business that are of the type sold by Employer, (ii) assist any person or entity in any way to engage in or establish, or attempt to engage in or establish, any Competitive Business, (iii) except as provided in Section 5.04(c), be employed by, consult with, advise, permit his or her name to be used by, or be connected in any manner with the ownership, management, operation or control of any person or entity that directly or indirectly engages in any Competitive Business, (iv) engage in any course of conduct that involves any Competitive Business that is substantially detrimental to the business reputation of Employer or (v) engage in or establish any Tier II Business (as defined below) using any sending agent of Employer if either (A) prior to such use of such sending agent, Employer is using such sending agent in the conduct of Employer of the same Tier II Business, or (B) the conduct of Executive or Executive's affiliates of such Tier II Business, directly or indirectly, restricts or materially impairs the ability of such sending agent to participate with Employer in Employer's conduct of a Tier II Business.

(b) The term "Competitive Business" shall mean the money order services industry, money transfer services industry and money remittance services industry located anywhere in, or providing services to customers or payees in, the United States of America, or Latin America/Caribbean and any other region in which Employer operates (now or in the future), all in any manner, including, but not limited to, wire transfer services, such as the following companies, businesses and divisions: *RIA, Western Union, Barri, Dolex, Maxi Transfers, Dinex, Money Gram, Sigue Corporation, Viamericas Corporation, Quisqueyana and Choice*, including their respective affiliates or subsidiaries by way of wire, telephone, courier, ATM, prepaid or stored value card or otherwise). The term "Tier II Business" shall mean any business or industry located in, or providing services to customers or payees in, the United States or Latin America/Caribbean and any other region in which Employer operates (now or in the future) in the fields of check cashing services, pay-day loan services, prepaid or stored value card services or any form of foreign exchange or money exchange services.

(c) This Section 5.04 shall be deemed not breached solely as a result of the ownership by Executive or any of Executive's affiliates of: (i) less than an aggregate of five percent (5%) of any class of stock of a public company engaged, directly or indirectly, in any Competitive Business; (ii) less than five percent (5%) in value of any instrument of indebtedness of a public company engaged, directly or indirectly, in any Competitive Business; or (iii) a public company that engages, directly or indirectly, in any Competitive Business if such Competitive Business account for less than five percent (5%) of such person's or entity's consolidated annual revenues. A “public company” for purposes of this Section 5.04(c) shall mean an entity whose common stock is traded on a nationally recognized securities exchange.

SECTION 5.05 Confidential Information. Executive hereby acknowledges that (a) in the performance of Executive’s duties and services prior to entering into, and pursuant to this Amended & Restated Agreement, Executive has received, and may be given access to, Confidential Information and (b) all Confidential Information is or will be the property of Employer. For purposes of this Amended & Restated Agreement, “Confidential Information” shall mean information, knowledge and data that is or will be used, developed, obtained or owned by Employer relating to the business, products and/or services of Employer or the business, products and/or services of any customer, sales officer, sales associate or independent contractor thereof, including products, services, fees, pricing, designs, marketing plans, strategies, analyses, forecasts, formulas, drawings, photographs, reports, records, computer software (whether or not owned by, or designed for, Employer), other operating systems, applications, program listings, flow charts, manuals, documentation, data, databases, specifications, technology, inventions, new developments and methods, improvements, techniques, trade secrets, devices, products, methods, know-how, processes, financial data, customer lists, contact persons, cost information, executive information, regulatory matters, personnel matters, accounting and business methods, copyrightable works and information with respect to any vendor, customer, sales officer, sales associate or independent contractor of Employer, in each case whether patentable or unpatentable and whether or not reduced to practice, and all similar and related information in whatever form, and all such items of any vendor, customer, sales officer, sales associate or independent contractor of Employer; provided, however, that Confidential Information shall not include information that is generally known to the public other than as a result of disclosure by Executive in breach of this Amended & Restated Agreement or in breach of any similar covenant made by Executive prior to entering into this Amended & Restated Agreement.

SECTION 5.06 Non-Disclosure. (a) Except as otherwise specifically provided in Section 5.07, Executive will not, directly or indirectly, disclose or cause or permit to be disclosed, to any person or entity whatsoever, or utilize or cause or permit to be utilized, by any person or to any entity whatsoever, any Confidential Information acquired pursuant to Executive’s employment with Employer (whether acquired prior to or subsequent to the execution of this Amended & Restated Agreement) under this Amended & Restated Agreement or otherwise.

(b) Executive will not disclose to anyone, other than Executive’s immediate family and legal or financial advisors, the existence or contents of this Amended & Restated Agreement, except to the extent permitted in Section 5.07 or to comply with Section 5.14, and, to the extent such information is disclosed to Executive’s immediate family or legal or financial advisors, will instruct those parties to comply with the non-disclosure requirements of this Section 5.06(b).

SECTION 5.07 Permitted Disclosure. Executive may (a) utilize and disclose the Confidential Information only to the extent reasonably necessary and required in the discharge of Executive’s duties as an employee of Employer and (b) disclose Confidential Information only to the extent Executive (i) is obligated to disclose such Confidential Information pursuant to any confidentiality Amended & Restated Agreement executed by or on behalf of Employer or Executive prior to the date hereof, (ii) is compelled to disclose such Confidential Information or else stand liable for contempt or suffer other censure or penalty, (iii) is required to disclose such Confidential Information by law, (iv) discloses such information in the context of litigation between Employer and Executive, or (v) is permitted to disclose such Confidential Information under any applicable “whistle blower” or similar law.

SECTION 5.08 Prior Inventions. Executive has attached hereto as Exhibit A list describing all inventions, works of authorship (including software, related items, databases, documentation, site content, text or graphics), developments, improvements and trade secrets ("Inventions") that were created or contributed to by Executive, either solely or jointly with others, prior to the date hereof (collectively referred to as "Prior Inventions") that relate to the current business, services, products or research and development of Employer or, if no such list is attached, Executive represents that there are no such Prior Inventions. To the fullest extent permissible by law, Executive hereby grants Employer or its designee a non-exclusive royalty-free, irrevocable, perpetual, worldwide license under all Executive's Prior Inventions to make, have made, copy, modify, distribute, use and sell inventions, works of authorship, developments, improvements, trade secrets, products, services, processes, machines and other property and to otherwise operate the current and future business of Employer.

SECTION 5.09 Ownership of Inventions. Executive will promptly make full written disclosure to Employer of, and hereby assigns to Employer or its designee all Executive's rights, title and interest in and to, any and all Inventions, whether or not patentable, that Executive may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the term of Executive's employment with Employer that relate to the proposed or current business, services, products or research and development of Employer (whether before or after execution of this Amended & Restated Agreement)(collectively referred to as "Employer Inventions"). Executive further acknowledges that all original works of authorship that are created or contributed to by Executive (solely or jointly with others) within the scope of, and during the period of, Executive's employment (whether before or after execution of this Amended & Restated Agreement) with Employer are to be deemed "works made for hire", as that term is defined in the United States Copyright Act, and the copyright and all intellectual property rights therein shall be the sole property of Employer or its designee. To the extent any of such works are deemed not to be "works for hire", Executive hereby assigns the copyright and all other intellectual property rights in such works to Employer or its designee.

SECTION 5.10 Further Assurances. Executive shall take all requested actions and execute all requested documents to assist Employer, or its designee, at Employer's expense, in every way to secure Employer's or its designee's above rights in the Prior Inventions and Employer Inventions and any copyrights, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, and to pursue any patents or registrations with respect thereto. This covenant shall survive the termination of this Amended & Restated Agreement. If Employer or its designee is unable for any other reason to secure Executive's signature on any document for this purpose, then Executive hereby irrevocably designates and appoints Employer or its designee and their duly authorized officers and agents, as the case may be, as Executive's agent and attorney in fact, to act for and in Executive's behalf and stead to execute any documents and to do all other lawfully permitted acts in connection with the foregoing.

SECTION 5.11 Records. All memoranda, books, records, documents, papers, plans, information, letters and other data relating to Confidential Information or the business and customer accounts of Employer, whether prepared by Executive or otherwise, coming into Executive's possession shall be and remain the exclusive property of Employer and Executive shall not, during the term of Executive's employment with Employer or thereafter, directly or indirectly assert any interest or property rights therein. Upon termination of employment with Employer for any reason, Executive will immediately return to Employer all such memoranda, books, records, documents, papers, plans, information, letters and other data, and all copies thereof or therefrom, and Executive will not retain, or cause or permit to be retained, any copies or other embodiments of the materials so returned. Executive further agrees that he will not retain or use for Executive's account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the business of Employer.

SECTION 5.12 Non-Disparagement. Executive has not prior to the date hereof, whether in writing or orally, criticized or disparaged Employer, nor shall Executive at any time following the date hereof, unless in the context of litigation between Employer and Executive or under penalty of perjury, whether in writing or orally, criticize or disparage Employer or any of its affiliates or any of their respective current or former affiliates, directors, officers, employees, members, partners, agents or representatives.

SECTION 5.13 Specific Performance. Executive agrees that any breach by Executive of any of the provisions of this Article V shall cause irreparable harm to Employer that could not be made whole by monetary damages and that, in the event of such a breach, Executive shall waive the defense in any action for specific performance that a remedy at law would be adequate, and Employer shall be entitled to specifically enforce the terms and provisions of this Article V without the necessity of proving actual damages or posting any bond or providing prior notice, in addition to any other remedy to which Employer may be entitled at law or in equity.

SECTION 5.14 Notification of Subsequent Employer. Prior to accepting employment with any other person or entity during any period during which Executive remains subject to any of the covenants set forth in Section 5.03 or Section 5.04, Executive shall provide such prospective employer with written notice of the provisions of this Amended & Restated Agreement, with a copy of such notice delivered simultaneously to Employer in accordance with Section 6.05.

## ARTICLE VI

## Miscellaneous

SECTION 6.01 Assignment. This Amended & Restated Agreement shall not be assignable by Executive. The parties agree that any attempt by Executive to delegate Executive's duties hereunder shall be null and void. This Amended & Restated Agreement may be assigned by Employer to a person or entity that is an affiliate or a successor in interest to substantially all the business operations of Employer. Upon such assignment, the rights and obligations of Employer hereunder shall become the rights and obligations of such affiliate or successor person or entity. As used in this Amended & Restated Agreement, the term "Employer" shall mean Employer as hereinbefore defined in the recital to this Amended & Restated Agreement and any permitted assignee to which this Amended & Restated Agreement is assigned.

SECTION 6.02 Successors. This Amended & Restated Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of Employer and the personal or legal representatives, executors, administrators, successors, distributees, devisees and legatees of Executive. Executive acknowledges and agrees that all Executive's covenants and obligations to Employer, as well as the rights of Employer under this Amended & Restated Agreement, shall run in favor of and will be enforceable by Employer, its subsidiaries and its successors and permitted assigns.

SECTION 6.03 Entire Agreement. This Amended & Restated Agreement constitutes the entire agreement and understanding of the parties with respect to the transactions contemplated hereby and the subject matter hereof and supersedes and replaces any and all prior agreements, understandings, statements, representations and warranties, written or oral, express or implied and/or whenever and howsoever made, directly or indirectly relating to the subject matter hereof, including the offer letter between Employer and Executive, as maybe applicable.

Notwithstanding the above, the Executive’s covenants set forth in Article V shall operate independently of, and shall be in addition to, any similar covenants to which Executive is subject pursuant to any other agreement with Employer or any of Employer’s affiliates.

SECTION 6.04 Amendment. This Amended & Restated Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

SECTION 6.05 Notice. All documents, notices, requests, demands and other communications that are required or permitted to be delivered or given under this Amended & Restated Agreement shall be in writing and shall be deemed to have been duly delivered or given when received.

If to Employer: International Money Express, Inc.
9480 S. Dixie Hwy.
Miami, FL 33156
Attention: Robert W. Lisy
Telephone: (305) 671-8000 x 1403
E-mail: mailto: rlisy@intermexusa.com

with copies to: Ernesto Luciano, General Counsel
E-mail: eluciano@intermexusa.com

and if to Executive, to the Executive’s last address on file with the Company.

The parties may change the address to which notices under this Amended & Restated Agreement shall be sent by providing written notice to the other in the manner specified above.

SECTION 6.06 Governing Law and Jurisdiction. (a) This Amended & Restated Agreement and any disputes arising under or related hereto (whether for breach of contract, tortious conduct or otherwise) shall be governed and construed in accordance with the laws of the State of Florida, without reference to its conflicts of law principles. Each party irrevocably agrees that any legal action, suit or proceeding against them arising out of or in connection with this Amended & Restated Agreement or the transactions contemplated by this Amended & Restated Agreement or disputes relating hereto (whether for breach of contract, tortuous conduct or otherwise) shall be brought exclusively in the United States District Court for the Southern District of Florida, or, if such court does not have subject matter jurisdiction, the state courts of Florida located in Miami Dade County and hereby irrevocably accepts and submits to the exclusive jurisdiction and venue of the aforesaid courts in personam, with respect to any such action, suit or proceeding.

(b) Each party hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Amended & Restated Agreement. Each party (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Amended & Restated Agreement by, among other things, the mutual waivers and certifications in this Section 6.06(b).

(c) The prevailing party in any dispute or legal action arising under this Amended & Restated Agreement shall be entitled to recover its reasonable expenses, attorneys’ fees and costs from the non-prevailing party.

SECTION 6.07 Severability. If any term, provision, covenant or condition of this Amended & Restated Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable in any jurisdiction, then such provision, covenant or condition shall, as to such jurisdiction, be modified or restricted to the extent necessary to make such provision valid, binding and enforceable, or, if such provision cannot be modified or restricted, then such provision shall, as to such jurisdiction, be deemed to be excised from this Amended & Restated Agreement and any such invalidity, illegality or unenforceability with respect to such provision shall not invalidate or render unenforceable such provision in any other jurisdiction, and the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 6.08 Survival. The rights and obligations of Employer and Executive under the provisions of this Amended & Restated Agreement, including Articles V and VI, shall survive and remain binding and enforceable, notwithstanding any termination of Executive's employment with Employer, to the extent necessary to preserve the intended benefits of such provisions.

SECTION 6.09 Cooperation. Executive shall provide Executive's reasonable cooperation to Employer in connection with any suit, action or proceeding (or any appeal therefrom) that relates to events occurring during Executive's employment with Employer or any of its affiliates other than a suit between Executive, on the one hand, and Employer, on the other hand, provided that Employer shall reimburse Executive for expenses reasonably incurred in connection with such cooperation.

SECTION 6.10 Executive Representation. Executive hereby represents to Employer that the execution and delivery of this Amended & Restated Agreement by Executive and Employer and the performance by Executive of Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, or be prevented, interfered with or hindered by, the terms of any employment agreement or other agreement or policy to which Executive is a party or otherwise bound.

SECTION 6.11 No Waiver. The provisions of this Amended & Restated Agreement may be waived only in writing signed by the party or parties entitled to the benefit thereof. A waiver or any breach or failure to enforce any provision of this Amended & Restated Agreement shall not in any way affect, limit or waive a party's rights hereunder at any time to enforce strict compliance thereafter with every provision of this Amended & Restated Agreement.

SECTION 6.12 Set Off. Employer's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall be subject to set-off, counterclaim or recoupment of amounts owed by Executive to Employer or its affiliates.

SECTION 6.13 Withholding Taxes. Employer may withhold from any amounts payable under this Amended & Restated Agreement such Federal, state, local and foreign taxes as may be required to be withheld pursuant to any applicable law or regulation.

SECTION 6.14 Section 409A. (a) It is intended that the provisions of this Amended & Restated Agreement comply with Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended, and all provisions of this Amended & Restated Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(b) Neither Executive nor any of his creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Amended & Restated Agreement or under any other plan, policy, arrangement or agreement of or with Employer or any of its affiliates (this Amended & Restated Agreement and such other plans, policies, arrangements and agreements, the "Company Plans") to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to Executive or for Executive's benefit under any Company Plan may not be reduced by, or offset against, any amount owing by Executive to Employer or any of its affiliates.

(c) If, at the time of Executive's separation from service (within the meaning of Section 409A), (i) Executive shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by Employer from time to time) and (ii) Employer shall make a good faith determination that an amount payable under a Company Plan constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Employer (or its affiliate, as applicable) shall not pay such amount on the otherwise scheduled payment date but shall instead accumulate such amount and pay it on the first business day after such six-month period.

(d) Notwithstanding any provision of this Amended & Restated Agreement or any Company Plan to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, Employer reserves the right to make amendments to any Company Plan as Employer deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, Executive is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on Executive or for Executive's account in connection with any Company Plan (including any taxes and penalties under Section 409A), and neither the Employer nor any affiliate shall have any obligation to indemnify or otherwise hold Executive harmless from any or all of such taxes or penalties.

(e) For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii).

(f) Except as specifically permitted by Section 409A, any benefits and reimbursements provided to Executive under this Amended & Restated Agreement during any calendar year shall not affect any benefits and reimbursements to be provided to Executive under this Amended & Restated Agreement in any other calendar year, and the right to such benefits and reimbursements cannot be liquidated or exchanged for any other benefit. Furthermore, reimbursement payments shall be made to Executive as soon as practicable following the date that the applicable expense is incurred, but in no event later than the last day of the calendar year following the calendar year in which the underlying expense is incurred.

SECTION 6.15 Release. In consideration of Employer's entering into this Amended & Restated Agreement and except with respect to Employer's obligations hereunder, Executive hereby irrevocably waives, releases and forever discharges Employer and its affiliates and their predecessors, successors, current and former employees, shareholders, members, partners, directors, officers, representatives and agents from any and all actions, causes of action, claims, demands for general or specific or punitive damages, attorney's fees, or expenses, known or unknown, that in any way relate to or arise out of Executive's employment with Employer through and including the date of this Amended & Restated Agreement which Executive may now or hereafter have, including claims under any Federal, state or local statute, rule or regulation or principle of common, tort or contract law.

SECTION 6.16 Determinations. Unless otherwise expressly provided in this Amended & Restated Agreement, all determinations of Employer or the Board shall be in the sole discretion of Employer or the Board, as applicable.

SECTION 6.17 Counterparts. This Amended & Restated Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single instrument.

SECTION 6.18 Construction. (a) The headings in this Amended & Restated Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Amended & Restated Agreement.

(b) As used in this Amended & Restated Agreement, words such as “herein,” “hereinafter,” “hereby” and “hereunder,” and words of like import refer to this Amended & Restated Agreement, unless the context requires otherwise. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have duly executed this Amended & Restated Agreement as of the date first written above.

“Employer”

**INTERNATIONAL MONEY EXPRESS, INC.**

By /s/ Robert Lisy__
Name: Robert W. Lisy
Title: Chief Executive Officer | President

“Executive”

/s/ Randall Nilsen ________________________
RANDALL NILSEN

# EXHIBIT A

**Prior Inventions:**

[None.]

EXHIBIT B

PREVIOUS OUTSTANDING EQUITY AWARDS

## I. PERFORMANCE STOCK UNITS (PSU)

| **Performance Stock Units (PSU)** | **Available to Vest if remain through Initial Term+** | **Forfeited as of Effective Date:** |
|---|---|---|
| Award Date 03/04/21 (with achievement at 200% of goal on 2/28/23) | 38,816 | |
| Award Date 03/23/22 | | 13,986 |
| Award Date 03/03/23 | | 14,591 |
| **Totals:** | **38,816** | **28,577** |

## II. RESTRICTED STOCK UNITS (RSU)

| **Restricted Stock Units (RSU)** | **Available to Vest if remain through Initial Term+** | **Eligible To Be Accelerated if remain through Initial Term++:** | **Forfeited as of Effective Date:** |
|---|---|---|---|
| Unvested RSU from 03/04/21 Award Date | 4,852 | 2,426 | 2,426 |
| Unvested RSU from 02/28/22 Award Date | 4,670 | 4,670 | 4,670 |
| Unvested RSU from 03/03/23 Award date | 3,648 | 5,472 | 5,472 |
| **Totals:** | **13,170** | **12,568** | **12,568** |

+ Vesting per original schedule.
++ Contingent on the terms and conditions referenced in the Agreement.

**Exhibit 31.1**

## CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Robert Lisy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Money Express, 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 7, 2023

| | |
|---|---|
| By: | /s/ Robert Lisy |
| Name: | Robert Lisy |
| Title: | Chief Executive Officer and President<br>(Principal Executive Officer) |

**Exhibit 31.2**

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER**

I, Andras Bende, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Money Express, 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 7, 2023

| | |
|---|---|
| By: | /s/ Andras Bende |
| Name: | Andras Bende |
| Title: | Chief Financial Officer<br>(Principal Financial Officer) |

**Exhibit 32.1**

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

I, Robert Lisy, Chief Executive Officer and President of International Money Express, Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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 7, 2023

| | |
|---|---|
| By: | /s/ Robert Lisy |
| Name | Robert Lisy |
| Title: | Chief Executive Officer and President<br>(Principal Executive Officer) |

**Exhibit 32.2**

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

I, Andras Bende, Chief Financial Officer of International Money Express, Inc. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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 7, 2023

| | |
|---|---|
| By: | /s/ Andras Bende |
| Name: | Andras Bende |
| Title: | Chief Financial Officer<br>(Principal Financial Officer) |