

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, 2021

OR

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

Commission file number: 021-344104

Remitly Global, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7372
(Primary Standard Industrial
Classification Code Number)

83-2301143
(I.R.S. Employer
Identification Number)

1111 Third Avenue, Suite 2100 Seattle, WA

(Address of principal executive offices)

98101

(Zip Code)

(888) 736-4859

(Registrant's telephone number, including area code)

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

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

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

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

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

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	RELY	NASDAQ

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 9, 2021, the registrant had 164,106,480 shares of common stock, \$0.0001 par value per share, outstanding.

	Page(s)
Part I – Financial Information	1
<u>Item 1. Financial Statements</u>	<u>1</u>
<u>Condensed Consolidated Balance Sheets as of September 30, 2021 and December 31, 2020</u>	<u>1</u>
<u>Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2021 and 2020</u>	<u>2</u>
<u>Condensed Consolidated Statements of Comprehensive Loss for the three and nine months ended September 30, 2021 and 2020</u>	<u>3</u>
<u>Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit) for the three and nine months ended September 30, 2021 and 2020</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2021 and 2020</u>	<u>6</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>21</u>
	<u>36</u>
<u>Item 3. Quantitative and Qualitative Disclosure About Market Risk</u>	<u>37</u>
	<u>39</u>
<u>Item 4. Controls and Procedures</u>	<u>39</u>
Part II – Other Information	39
<u>Item 1. Legal Proceedings</u>	<u>39</u>
	<u>39</u>
<u>Item 1A. Risk Factors</u>	<u>77</u>
	<u>77</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>78</u>
	<u>78</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>78</u>
	<u>78</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>78</u>
	<u>78</u>
<u>Item 5. Other Information</u>	<u>78</u>
	<u>78</u>
<u>Item 6. Exhibits</u>	<u>80</u>
<u>Signatures</u>	<u>80</u>

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding future events or our future results of operations, financial condition, business, strategies, financial needs, and the plans and objectives of management, are forward-looking statements. In some cases you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “likely,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” or similar expressions and the negatives of those terms. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding our revenue, expenses, and other operating results;
- our ability to acquire new customers and successfully retain existing customers;
- our ability to develop new products and services and bring them to market in a timely manner;
- our ability to achieve or sustain our profitability;
- our ability to maintain and expand our strategic relationships with third parties;
- our business plan and our ability to effectively manage our growth;
- our market opportunity, including our total addressable market;
- anticipated trends, growth rates, and challenges in our business and in the markets in which we operate;
- the COVID-19 pandemic, and its impact on our employees, customers, strategic partners, vendors, results of operations, liquidity, and financial condition;
- our ability to attract and retain qualified employees;
- our ability to maintain the security and availability of our solutions;
- our ability to maintain and expand internationally;
- our expectations regarding anticipated technology needs and developments and our ability to address those needs and developments with our solutions;

You should not place undue reliance on our forward-looking statements and you should not rely on forward-looking statements as predictions of future events. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. The forward-looking statements made in this Quarterly Report on Form 10-Q speak only as of the date of this report. We undertake no obligation to update any forward-looking statements made in this report to reflect events or circumstances after the date of this report or to reflect new information or the occurrence of unanticipated events, except as required by law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Part 1. Financial Information
Item 1. Financial Statements (Unaudited)

REMITLY GLOBAL, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(unaudited)

	September 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 443,313	\$ 186,694
Disbursement prefunding	108,770	101,558
Customer funds receivable, net	79,243	50,729
Prepaid expenses and other current assets	15,992	6,350
Total current assets	647,318	345,331
Restricted cash	302	1,381
Property and equipment, net	9,225	9,675
Operating lease right-of-use assets	6,052	5,605
Other non-current assets, net	1,972	997
Total assets	\$ 664,869	\$ 362,989
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable	\$ 6,869	\$ 4,256
Borrowings	—	80,000
Customer liabilities	104,683	54,819
Accrued expenses and other current liabilities	57,699	39,742
Operating lease liabilities	3,411	2,959
Total current liabilities	172,662	181,776
Operating lease liabilities, non-current	3,623	4,008
Other non-current liabilities	901	827
Total liabilities	\$ 177,186	\$ 186,611
Commitments and contingencies (Note 14)		
Redeemable convertible preferred stock, \$0.0001 par value per share; 50,000,000 and 132,674,735 shares authorized as of September 30, 2021 and December 31, 2020; zero and 127,082,605 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively; liquidation preference of zero and \$399,815 as of September 30, 2021 and December 31, 2020, respectively	—	387,707
Stockholders' equity (deficit)		
Common stock, \$0.0001 par value; 725,000,000 and 190,000,000 shares authorized as of September 30, 2021 and December 31, 2020, respectively; 163,765,500 and 24,289,906 shares issued and outstanding, as of September 30, 2021 and December 31, 2020, respectively	16	2
Additional paid-in capital	730,253	8,766
Accumulated other comprehensive income	282	591
Accumulated deficit	(242,868)	(220,688)
Total stockholders' equity (deficit)	487,683	(211,329)
Total liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)	\$ 664,869	\$ 362,989

REMITLY GLOBAL, INC.
Condensed Consolidated Statements of Operations
(In thousands, except share and per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 121,244	\$ 71,790	\$ 323,350	\$ 176,939
Costs and expenses				
Transaction expenses ⁽¹⁾	47,560	28,046	135,175	74,256
Customer support and operations ⁽¹⁾	12,005	7,632	32,435	17,795
Marketing ⁽¹⁾	30,365	18,816	82,639	50,923
Technology and development ⁽¹⁾	18,123	10,380	44,965	29,439
General and administrative ⁽¹⁾	24,539	7,667	47,429	22,008
Depreciation and amortization	1,319	1,002	3,890	2,859
Total costs and expenses	133,911	73,543	346,533	197,280
Loss from operations	(12,667)	(1,753)	(23,183)	(20,341)
Interest income	82	7	92	181
Interest expense	(512)	(247)	(1,048)	(1,027)
Other income (expense), net	396	(241)	3,044	(1,737)
Loss before provision for income taxes	(12,701)	(2,234)	(21,095)	(22,924)
Provision for income taxes	261	195	1,085	635
Net loss	\$ (12,962)	\$ (2,429)	\$ (22,180)	\$ (23,559)
Deemed dividend on redeemable convertible preferred stock	—	—	—	—
Net loss attributable to common stockholders	\$ (12,962)	\$ (2,429)	\$ (22,180)	\$ (23,559)
Net loss per share attributable to common stockholders:				
Basic and diluted	\$ (0.41)	\$ (0.11)	\$ (0.85)	\$ (1.11)
Weighted-average shares used in computing net loss per share attributable to common stockholders:				
Basic and diluted	31,641,400	21,868,865	26,055,903	21,186,012

(1) Exclusive of depreciation and amortization, shown separately, above

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

REMITLY GLOBAL, INC.
Condensed Consolidated Statements of Comprehensive Loss
(In thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net loss	\$ (12,962)	\$ (2,429)	\$ (22,180)	\$ (23,559)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(293)	219	(309)	156
Comprehensive loss	<u>\$ (13,255)</u>	<u>\$ (2,210)</u>	<u>\$ (22,489)</u>	<u>\$ (23,403)</u>

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

REMITLY GLOBAL, INC.
Condensed Consolidated Statements of Redeemable Converted Preferred Stock and Stockholders' Equity (Deficit)
For the Three and Nine Months Ended September 30, 2021 and 2020
(In thousands, except share amounts)
(unaudited)

	Three Months Ended September 30, 2021							
	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount				
Balances as of July 1, 2021	127,410,631	\$ 390,687	26,385,643	\$ 3	\$ 17,193	\$ 575	\$ (229,906)	\$ (212,135)
Repayment of non-recourse promissory note	—	—	—	—	3,060	—	—	3,060
Conversion of redeemable convertible preferred stock to common stock in connection with initial public offering	(127,410,631)	(390,687)	127,410,631	13	390,674	—	—	390,687
Issuance of common stock upon initial public offering and private placements, net of offering costs, underwriting discounts and commissions	—	—	7,581,395	—	305,191	—	—	305,191
Donation of common stock	—	—	181,961	—	6,933	—	—	6,933
Issuance of common stock upon exercise of warrants	—	—	254,014	—	—	—	—	—
Issuance of common stock upon exercise of stock options and vesting of early exercised options, and vesting of restricted stock units	—	—	1,951,856	—	2,341	—	—	2,341
Stock-based compensation expense	—	—	—	—	4,861	—	—	4,861
Other comprehensive income	—	—	—	—	—	(293)	—	(293)
Net loss	—	—	—	—	—	—	(12,962)	(12,962)
Balances as of September 30, 2021	—	\$ —	163,765,500	\$ 16	\$ 730,253	\$ 282	\$ (242,868)	\$ 487,683

	Three Months Ended September 30, 2020							
	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balances as of July 1, 2020	117,788,521	\$ 302,873	23,126,915	\$ 2	\$ 4,741	\$ (29)	\$ (209,254)	\$ (204,540)
Issuance of Series F redeemable convertible preferred stock, net of issuance costs	9,294,084	84,834	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options and vesting of early exercised options	—	—	938,220	—	975	—	—	975
Stock-based compensation expense	—	—	—	—	1,329	—	—	1,329
Other comprehensive income	—	—	—	—	—	219	—	219
Net loss	—	—	—	—	—	—	(2,429)	(2,429)
Balances as of September 30, 2020	127,082,605	\$ 387,707	24,065,135	\$ 2	\$ 7,045	\$ 190	\$ (211,683)	\$ (204,446)

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

REMITLY GLOBAL, INC.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)
For the Three and Nine Months Ended September 30, 2021 and 2020
(In thousands, except share amounts)
(unaudited)

	Nine Months Ended September 30, 2021							
	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount				
Balances as of January 1, 2021	127,082,605	\$ 387,707	24,289,906	\$ 2	\$ 8,766	\$ 591	\$ (220,688)	\$ (211,329)
Issuance of Series F redeemable convertible preferred stock, net of issuance costs	328,026	2,980	—	—	—	—	—	—
Repayment of non-recourse promissory note	—	—	—	—	3,060	—	—	3,060
Conversion of redeemable convertible preferred stock to common stock in connection with initial public offering	(127,410,631)	(390,687)	127,410,631	13	390,674	—	—	390,687
Issuance of common stock upon initial public offering and private placements, net of offering costs, underwriting discounts and commissions	—	—	7,581,395	—	305,191	—	—	305,191
Donation of common stock	—	—	181,961	—	6,933	—	—	6,933
Issuance of common stock upon exercise of warrants	—	—	254,014	—	—	—	—	—
Issuance of common stock upon exercise of stock options and vesting of early exercised options, and vesting restricted stock units	—	—	4,021,834	1	6,374	—	—	6,375
Issuance of common stock in a business combination	—	—	25,759	—	169	—	—	169
Stock-based compensation expense	—	—	—	—	9,086	—	—	9,086
Other comprehensive loss	—	—	—	—	—	(309)	—	(309)
Net loss	—	—	—	—	—	—	(22,180)	(22,180)
Balances as of September 30, 2021	127,082,605	\$ 387,707	163,765,500	\$ 16	\$ 730,253	\$ 282	\$ (242,868)	\$ 487,683

	Nine Months Ended September 30, 2020							
	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balances as of January 1, 2020	117,788,521	\$ 302,873	22,425,112	\$ 2	\$ 1,292	\$ 34	\$ (188,124)	\$ (186,796)
Issuance of Series F redeemable convertible preferred stock, net of issuance costs of \$167	9,294,084	84,834	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options and vesting of early exercised options	—	—	1,640,023	—	1,901	—	—	1,901
Stock-based compensation expense	—	—	—	—	3,852	—	—	3,852
Other comprehensive loss	—	—	—	—	—	156	—	156
Net loss	—	—	—	—	—	—	(23,559)	(23,559)
Balances as of September 30, 2020	127,082,605	\$ 387,707	24,065,135	\$ 2	\$ 7,045	\$ 190	\$ (211,683)	\$ (204,446)

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

REMITLY GLOBAL, INC.
Condensed Consolidated Statements of Cash Flows
Periods Ended September 30, 2021 and 2020
(In thousands)
(unaudited)

	Nine Months Ended September 30,	
	2021	2020
Cash flows from operating activities		
Net loss	\$ (22,180)	\$ (23,559)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	3,890	2,859
Stock-based compensation expense, net	8,965	3,852
Donation of common stock	6,933	—
Other	360	27
Changes in operating assets and liabilities:		
Disbursement prefunding	(7,212)	(30,345)
Customer funds receivable	(29,072)	(13,465)
Prepaid expenses and other assets	(9,491)	(4,952)
Operating lease right-of-use assets	2,023	1,803
Accounts payable	1,229	1,840
Customer liabilities	50,284	(28,916)
Accrued expenses and other liabilities	16,013	21,595
Operating lease liabilities	(2,317)	(1,915)
Net cash provided by (used in) operating activities	19,425	(71,176)
Cash flows from investing activities		
Purchases of property and equipment	(1,347)	(1,825)
Capitalized internal-use software costs	(1,941)	(1,591)
Net cash used in investing activities	(3,288)	(3,416)
Cash flows from financing activities		
Proceeds from issuance of common stock upon initial public offering and the private placement, net of underwriting discounts and commissions and other offering costs	307,094	—
Repayment of non-recourse promissory note	3,060	—
Proceeds from issuance of Series F convertible preferred stock, net of issuance costs	2,980	84,855
Proceeds from exercise of stock options	7,519	1,995
Payment of debt issuance costs	(988)	—
Repayments on borrowings, net	(80,000)	(45,000)
Net cash provided by financing activities	239,665	41,850
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(262)	338
Net increase (decrease) in cash, cash equivalents and restricted cash	255,540	(32,404)
Cash, cash equivalents, and restricted cash at beginning of period	188,075	183,520
Cash, cash equivalents, and restricted cash at end of period	\$ 443,615	\$ 151,116
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 936	\$ 998
Cash paid for income taxes	303	334
Supplemental disclosure of non-cash investing and financing activities		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ 2,532	\$ 1,523
Vesting of early exercised options	263	69
IPO and debt issuance costs incurred but not yet paid	2,287	—
Conversion of preferred stock to common stock	390,687	—
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	\$ 443,313	\$ 149,881
Restricted cash	302	1,235
Total cash, cash equivalents and restricted cash	\$ 443,615	\$ 151,116

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

1. Organization and Description of Business

Description of Business

Remitly Global, Inc. (the “Company” or “Remitly”) was incorporated in the State of Delaware in October 2018 and is headquartered in Seattle, Washington, with various other global office locations.

The Company provides integrated financial services to immigrants, including helping customers send money internationally in a quick, reliable, and more cost-effective manner by leveraging digital channels. Remitly supports cross-border transmissions across the globe.

Unless otherwise expressly stated or the context otherwise requires, the terms “Remitly” and the “Company” in these notes to the condensed consolidated financial statements refer to Remitly Global, Inc. and its wholly-owned subsidiaries.

Initial Public Offering and Private Placement

In September 2021, the Company completed its initial public offering (the “IPO”), in which the Company issued and sold 7,000,000 shares of its common stock at \$43.00 per share. Concurrently, 5,162,777 shares were sold by certain of the Company’s existing stockholders. In addition, the Company issued 581,395 shares of common stock to an existing stockholder in a private placement at the same offering price as the IPO. The Company received net proceeds of \$305.2 million for the IPO and private placement, after deducting underwriting discounts and other fees of \$20.8 million. In connection with the IPO, 127,410,631 shares of outstanding redeemable convertible preferred stock automatically converted into an equivalent number of shares of common stock on a one-to-one basis.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and applicable rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) regarding interim financial reporting. The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP and therefore the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the historical audited annual consolidated financial statements and related notes included in the Company’s final prospectus dated September 22, 2021 and filed with the SEC pursuant to Rule 424(b)(4) (the “Final Prospectus”).

The accompanying unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments of a normal recurring nature considered necessary to state fairly the Company’s consolidated financial position, results of operations, comprehensive loss, and cash flows for the interim periods. The interim results for the three and nine months ended September 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021, or for any other future annual or interim period.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Remitly Global, Inc. and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. These estimates and assumptions include, but are not limited to, revenue recognition including the treatment of sales incentive programs, reserves for transaction losses, stock-based

compensation expense including the estimated fair value per share of common stock, the carrying value of operating lease right-of-use assets, the recoverability of deferred tax assets, and capitalization of software development costs. The Company bases its estimates on historical experience and on assumptions that management considers reasonable. Actual results could differ from these estimates and assumptions, and these differences could be material to the condensed consolidated financial statements.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents, disbursement prefunding, restricted cash, and customer funds receivable. The Company maintains cash and cash equivalents and restricted cash balances that may exceed the insured limits by the Federal Deposit Insurance Corporation. In addition, the Company funds its international operations using accounts with institutions in the major countries where its subsidiaries operate. The Company also prefunds amounts which are held by its disbursement partners, which typically include India, Philippines and Mexico. The Company has not experienced any significant losses on its deposits of cash and cash equivalents, disbursement prefunding, restricted cash or customer funds receivable in the nine months ended September 30, 2021 and 2020.

For the three and nine months ended September 30, 2021 and 2020, no individual customer represented 10% or more of the Company's total revenues. As of September 30, 2021 and December 31, 2020, no individual customer represented 10% or more of the Company's customer funds receivable.

Advertising

Advertising expenses are charged to operations as incurred and are included as a component of marketing expenses. Advertising expenses totaled \$25.6 million and \$15.9 million during the three months ended September 30, 2021 and 2020, respectively, and are used primarily to attract new customers. Advertising expenses totaled \$70.1 million and \$42.5 million during the nine months ended September 30, 2021 and 2020, respectively.

Summary of Significant Accounting Policies

The Company's significant accounting policies are discussed in Note 2, "Basis of Presentation and Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements as of December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019 included in the Final Prospectus. There have been no significant changes to these policies during the nine months ended September 30, 2021, except as noted below.

Deferred Offering Costs

Prior to the IPO, deferred offering costs, which consist of direct incremental legal, accounting, and consulting fees relating to the IPO, were capitalized and included in other non-current assets on the condensed consolidated balance sheets. Upon completion of the IPO in September 2021, the Company reclassified \$4.3 million of deferred offering costs to additional-paid-in capital offsetting the IPO proceeds. As of September 30, 2021, approximately \$1.9 million of IPO costs were unpaid. Such amounts are recorded within accounts payable and accrued expenses and current liabilities in the Company's condensed consolidated balance sheet. There were no material deferred offering costs recorded as of December 31, 2020.

Recent Accounting Pronouncements

Accounting Pronouncements Not Yet Adopted

In 2021, The Financial Accounting Standards Board ("FASB") issued ASU 2021-04, Earnings per Share (Topic 260), Debt — Modifications and Extinguishments (Subtopic 470-50), Compensation — Stock Compensation (Topic 718), and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options. The FASB is issuing this update to clarify and reduce diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The amendments affect entities when a freestanding equity-classified written call option (such as a warrant) is modified or exchanged and remains equity classified after the modification or exchange. In addition, the

amendments impact the recognition and measurement of earnings per share for certain modification and exchange transactions. The new standard is effective for the Company for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years, and early adoption is permitted. The Company is currently assessing the impact of the guidance on its consolidated financial statements.

There are other new accounting pronouncements issued by the FASB that we have adopted or will adopt, as applicable. We do not believe any of these accounting pronouncements have had, or will have, a material impact on our condensed consolidated financial statements or disclosures.

3. Revenue

The Company's revenue is generated on transaction fees charged to customers and foreign exchange spreads between the foreign exchange rate offered to customers and the foreign exchange rate on the Company's currency purchases. Revenue is recognized when control of these services is transferred to the Company's customers, which is the time the funds have been delivered to the intended recipient in an amount that reflects the consideration the Company expects to be entitled to in exchange for services provided. The Company accounts for revenue in accordance with Accounting Standards Codification ("ASC") *Revenue from Contracts with Customers* (Topic 606), which includes the following steps:

- (1) identification of the contract with a customer;
- (2) identification of the performance obligations in the contract;
- (3) determination of the transaction price;
- (4) allocation of the transaction price to the performance obligations in the contract; and
- (5) recognition of revenue when, or as, the Company satisfies a performance obligation.

Revenue is derived from each transaction and varies based on the funding method chosen by the customer, the size of the transaction, the currency to be ultimately disbursed, the rate at which the currency was purchased, and the countries to which the funds are transferred. The Company's contract with customers can be terminated by the customer without a termination penalty up until the time the funds have been delivered to the intended recipient. Therefore, the Company's contracts are defined at the transaction level and do not extend beyond the service already provided.

The Company's service comprises a single performance obligation to complete transactions for the Company's customers. Using compliance and risk assessment tools, the Company performs a transaction risk assessment on individual transactions to determine whether a transaction should be accepted. When the Company accepts a transaction and processes the designated payment method of the customer, the Company becomes obligated to its customer to complete the payment transaction.

The Company recognizes transaction revenue on a gross basis as it is the principal for fulfilling payment transactions. As the principal to the transaction, the Company controls the service of completing payments on its payment platform. The Company bears primary responsibility for the fulfillment of the payment service, is the merchant of record, contracts directly with its customers, controls the product specifications, and defines the value proposition of its services. The Company is also responsible for providing customer support. Further, the Company has full discretion over determining the fee charged to its customers, which is independent of the cost it incurs in instances where it may utilize payment processors or other financial institutions to perform services on its behalf. These fees paid to payment processors and other financial institutions are recognized as transaction expenses in the consolidated statements of operations. The Company does not have any deferred contract acquisition costs.

Deferred Revenue

The deferred revenue balances from contracts with customers were as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Deferred revenue, beginning of the period	\$ 1,126	\$ 274	\$ 1,105	\$ 137
Deferred revenue, end of the period	1,269	1,010	1,269	1,010
Change in deferred revenue during the period	143	736	164	873

Revenue recognized during the three month periods ended September 30, 2021 and 2020 from amounts included in deferred revenue at the beginning of the period were \$0.3 million and \$0.2 million, respectively.

Revenue recognized during the nine month periods ended September 30, 2021 and 2020 from amounts included in deferred revenue at the beginning of the period were \$0.3 million and \$0.1 million, respectively.

Deferred revenue represents amounts received from customers for which the performance obligations are not yet fulfilled. Deferred revenue is included within accrued expenses and other current liabilities and other non-current liabilities on the consolidated balance sheets.

Sales Incentives

The Company provides sales incentives to customers in a variety of forms. Cash incentives given to customers are accounted for as reductions to revenue, up to the point where net historical cumulative revenue, at the customer level, is reduced to zero. Those additional incentive costs that would have caused the customer level revenue to be negative are classified as advertising expenses and are included as a component of marketing expenses. In addition, referral credits given to a referrer are classified as marketing expenses.

During the three months ended September 30, 2021 and 2020, payments made to customers resulted in reductions to revenue of \$4.3 million and \$3.7 million, respectively, and charges to sales and marketing expense of \$2.6 million and \$2.4 million, respectively.

During the nine months ended September 30, 2021 and 2020, payments made to customers resulted in reductions to revenue of \$13.4 million and \$12.2 million, respectively, and charges to sales and marketing expense of \$8.4 million and \$7.6 million, respectively.

4. Property and Equipment

Property and equipment, net consisted of the following:

(in thousands)	September 30, 2021	December 31, 2020
Capitalized internal-use software	\$ 8,232	\$ 6,170
Computer and office equipment	4,342	3,422
Furniture and fixtures	1,450	1,390
Leasehold improvements	6,951	6,609
	20,975	17,591
Less: Accumulated depreciation and amortization	(11,750)	(7,916)
Property and equipment, net	\$ 9,225	\$ 9,675

Depreciation and amortization expense related to property and equipment was \$1.3 million and \$3.9 million for the three and nine months ended September 30, 2021, respectively, and \$1.0 million and \$2.9 million for the three and nine months ended September 30, 2020, respectively.

Capitalized Internal-Use Software Costs

There has been no impairment of previously capitalized costs during the three and nine months ended September 30, 2021 and 2020.

The Company capitalized \$0.5 million and \$0.6 million for internal-use software costs for three month periods ended September 30, 2021 and 2020, respectively. The Company capitalized inconsequential amounts of stock-based compensation costs to internal-use software during the three months ended September 30, 2021 and 2020, respectively. The Company recorded amortization expense of \$0.6 million and \$0.4 million for the three months ended September 30, 2021 and 2020, respectively.

The Company capitalized \$2.0 million and \$1.6 million for internal-use software costs during the nine months ended September 30, 2021 and 2020, respectively. The Company capitalized \$0.1 million of stock-based compensation costs to internal-use software for both the nine month period ended September 30, 2021 and 2020. The Company recorded amortization expense of \$1.8 million and \$1.1 million for the nine months ended September 30, 2021 and 2020, respectively.

5. Fair Value Measurements

The following table presents information about the Company's financial assets and liabilities that are measured at fair value and indicates the fair value hierarchy of the valuation inputs used as of December 31, 2020:

(in thousands)	As of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Restricted cash				
Certificates of deposit	\$ —	\$ 102	\$ —	\$ 102
Total assets	\$ —	\$ 102	\$ —	\$ 102

The carrying values of certain financial instruments, including disbursement prefunding, customer funds receivable, accounts payable, accrued expenses and other current liabilities, customer liabilities and borrowings approximate their respective fair values due to their relative short maturities and are excluded from the fair value table above. If these financial instruments were measured at fair value in the financial statements, they would be classified as Level 2. There are no other financial assets and liabilities that are measured at fair value as of September 30, 2021.

There were no transfers between Level 1 and Level 2 during the three and nine months ended September 30, 2021 and 2020.

6. Debt

Secured Revolving Credit Facility

New Revolving Credit Facility

On September 13, 2021, Remitly Global, Inc. and Remitly, Inc. (U.S. subsidiary) entered into a new credit agreement (the "New Revolving Credit Facility"), as co-borrowers, with certain lenders and JPMorgan Chase Bank, N.A. acting as administrative agent and collateral agent, that provides for revolving commitments of \$250.0 million and terminated its existing Revolving Credit Facility. Proceeds under the New Revolving Credit Facility are available for working capital and general corporate purposes. As part of the refinancing, the Company performed a debt modification analysis, utilizing the borrowing capacity test within ASC 470-50, *Debt — Modification and Extinguishment*, on a lender-by-lender basis, resulting in the capitalization of \$1.4 million of new debt issuance costs incurred in connection with the New Revolving Credit Facility, of which \$0.4 million remained accrued and unpaid as of September 30, 2021. Such amounts were capitalized and recorded within other long-term assets, net in the condensed consolidated balance sheet, and will be amortized to interest expense over the term of the New Revolving Credit Facility. The Company previously had \$0.5 million of unamortized debt issuance costs associated with its existing Revolving Credit Facility. As a result of the debt modification analysis, the Company will continue to amortize \$0.4 million of unamortized debt issuance costs over the term of the New Revolving Credit Facility. The

remaining \$0.1 million was expensed as a debt extinguishment cost within interest expense in the condensed consolidated statement of operations for the three and nine months ended September 30, 2021.

The New Revolving Credit Facility was used to refinance its existing Credit Agreement. The New Revolving Credit Facility provides for access to \$250.0 million in revolving borrowings and has a maturity date of September 2026. Borrowings under the New Revolving Credit Facility accrue interest at a floating rate per annum equal to, at the Company's option, (1) the Alternate Base Rate (defined in the New Revolving Credit Facility as the rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect for such day plus 0.50% and (c) the Adjusted LIBO Rate plus 1.00%, subject to a floor of 1.00% plus 0.50% or (2) the Adjusted LIBO Rate (subject to a floor of 0.00%) plus 1.50%. In addition, there is an unused commitment fee, which accrues at a rate per annum equal to 0.25% of the unused portion of the revolving commitments, and is payable quarterly.

The New Revolving Credit Facility contains customary conditions to borrowing, events of default and covenants, including covenants that restrict the ability to dispose of assets, merge with other entities, incur indebtedness, grant liens, pay dividends or make other distributions to holders of its capital stock, make investments, enter into restrictive agreements or engage in transactions with affiliates. As of September 30, 2021, financial covenants in the New Revolving Credit Facility include (1) a requirement to maintain a minimum Adjusted Quick Ratio of 1.50:1.00, which is tested quarterly and (2) a requirement to maintain a minimum Liquidity of \$100.0 million, which is tested quarterly.

The obligations under the New Revolving Credit Facility are guaranteed by the Company's material domestic subsidiaries, subject to customary exceptions, and are secured by substantially all of the assets of the borrowers and guarantors thereunder, subject to customary exceptions. Amounts of borrowings under the New Revolving Credit Facility may fluctuate depending upon transaction volumes and seasonality. The Company was in compliance with all financial covenants as of September 30, 2021.

The Company had no outstanding borrowings under the New Revolving Credit Facility as of September 30, 2021. The Company had unused borrowing capacity of \$250.0 million under the New Revolving Credit Facility as of September 30, 2021. In addition, the New Revolving Credit Facility includes a letter of credit sub-facility. As of September 30, 2021, the Company had \$19.2 million in standby letters of credit outstanding.

2020 Credit Agreement

In November 2020, the Company modified its existing credit agreement (the "Credit Agreement"). As a result, the Credit Agreement provided the Company with access up to \$150.0 million in revolving credit facility borrowings with the maturity date of November 16, 2023.

Revolving credit facility borrowings are subject to mandatory repayment within 20 business days in an amount necessary to reduce the borrowings, in the aggregate, to an amount less than the Company's customer funds account maintained with the lender. Interest on borrowings under the revolving credit facility accrues at a floating rate per annum equal to (i) ABR defined in the Credit Agreement as the rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) 3.25% and (c) the Federal Funds Effective Rate in effect for such day plus 0.50% plus (ii) 1.0%. In addition, an unused revolving line facility fee accrues at a floating rate equal to 0.40% of the unused portion of the line, payable monthly. As of December 31, 2020, the interest rate of the borrowings under the revolving credit facility was 4.25%.

As of December 31, 2020, the Company had outstanding borrowings under the revolving credit facility of \$80.0 million and an unused borrowing capacity of \$70.0 million. As of December 31, 2020, the Company had \$9.4 million in standby letters of credit outstanding.

The Credit Agreement contains customary conditions to borrowing, events of default and covenants, including covenants that restrict the Company's ability to dispose of assets, merge with or acquire other entities, incur indebtedness, pay dividends, incur encumbrances, make distributions to holders of its capital stock, make investments or engage in transactions with affiliates. Defined events of default include an acceleration clause in the event of a Material Adverse Effect (as defined in the Credit Agreement) on the business or financial condition of the Company. Financial covenants include adjusted quick ratio requirements that are measured on a monthly basis as

well as trailing twelve month Consolidated Adjusted EBITDA (as defined in the Credit Agreement) measured on a quarterly basis.

The Company was in compliance with all financial covenants as of December 31, 2020. The Company's obligations under the Credit Agreement are secured by substantially all of the assets of the Company other than intellectual property.

7. Net Loss Per Common Share

Basic and diluted net loss per share attributable to common stockholders is computed using the two-class method required for participating securities. Prior to the automatic conversion of all of its redeemable convertible preferred stock outstanding into common stock upon the completion of the IPO, the Company considered all series of the Company's redeemable convertible preferred stock and early exercised stock options to be participating securities, as the holders of such stock have the right to receive dividends on a pari passu basis in the event that a dividend is declared on the common stock. Upon completion of the IPO, all of the Company's redeemable convertible preferred stock was converted to common stock. After the IPO, the Company's early exercised stock options continue to be participating in nature.

Under the two-class method, basic net loss per share is computed by dividing net loss adjusted to include deemed dividends on redeemable convertible preferred stock by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income attributable to common shares by the weighted-average number of common shares determined for the basic earnings per share plus the dilutive effect of stock options, restricted stock units ("RSUs"), common stock warrants and redeemable convertible preferred stock. As the Company reported a net loss, diluted net loss per share was the same as basic net loss per share because the effects of potentially dilutive items were anti-dilutive for all periods presented.

The following table presents the calculation of basic and diluted net loss per share attributable to common stockholders for the periods indicated:

<i>(in thousands, except share and per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Numerator:				
Net loss	\$ (12,962)	\$ (2,429)	\$ (22,180)	\$ (23,559)
Deemed dividend	—	—	—	—
Net loss attributable to common stockholders	<u>\$ (12,962)</u>	<u>\$ (2,429)</u>	<u>\$ (22,180)</u>	<u>\$ (23,559)</u>
Denominator:				
Weighted-average shares used in computing net loss per share attributable to common stockholders:				
Basic and diluted	31,641,400	21,868,865	26,055,903	21,186,012
Net loss per share attributable to common stockholders:				
Basic and diluted	<u>\$ (0.41)</u>	<u>\$ (0.11)</u>	<u>\$ (0.85)</u>	<u>\$ (1.11)</u>

The following potentially dilutive securities were excluded from the computation of diluted net loss per share calculations for the periods presented because the impact of including them would have been anti-dilutive:

	As of September 30,	
	2021	2020
Redeemable convertible preferred stock	—	127,082,605
Common stock warrants	—	256,250
Stock options outstanding	24,061,073	19,934,198
RSUs outstanding ⁽¹⁾	1,301,084	—
Shares subject to repurchase	554,973	1,875,822
Total	25,917,130	149,148,875

⁽¹⁾ A portion of these RSUs were subject to a performance-based vesting condition until September 22, 2021. See Note 10 for details on these awards. Includes 23,235 performance-based RSUs which legally vested but were not yet issued as common stock as of September 30, 2021.

8. Common Stock

As of September 30, 2021, the Company has authorized 725,000,000 shares of common stock with a par value of \$0.0001 per share. Each holder of a share of common stock is entitled to one vote for each share held at all meetings of stockholders and is entitled to receive dividends whenever funds are legally available and when declared by the Company's board of directors. Through September 30, 2021 and December 31, 2020, no dividends have been declared or paid by the Company.

Donation to Remitly Philanthropy Fund

In July 2021, the Company's board of directors approved the reservation of up to 1,819,609 shares of common stock (which was approximately 1.0% of the fully diluted capitalization as of June 30, 2021) that the Company may issue to or for the benefit of a 501(c)(3) nonprofit foundation or a similar charitable organization pursuant to the Company's Pledge 1% commitment in equal installments over ten years. On September 10, 2021, the Company executed the stock donation agreement, pursuant to which it would issue the first installment of the Pledge 1% commitment to Remitly Philanthropy Fund, a donor advised fund that will be administered on its behalf by Rockefeller Philanthropy Advisors, Inc., on the day after consummation of the IPO. On September 28, 2021, the Company donated 181,961 shares of its common stock to Remitly Philanthropy Fund, pursuant to the stock donation agreement, and in connection with the Pledge 1% campaign, which publicly acknowledges the Company's intent to give back and increase social impact, in order to sustainably fund a portion of its corporate social responsibility goals and further its mission to expand financial inclusion for immigrants. The Company recorded a charge of \$6.9 million to general and administrative expense based on the closing price of its common stock as reported on the Nasdaq Global Select Market (the "NASDAQ") on September 28, 2021.

Warrants

In connection with a previous Credit Agreement, the Company issued stock warrants to purchase shares of common stock with terms of 10 years, exercisable at any time, and exercise prices ranging from \$0.054 to \$0.64 per share, subject to standard anti-dilution adjustments. The warrants were recorded as additional paid-in capital and capitalized as debt issuance costs on the consolidated balance sheets. On September 24, 2021, the holders of these stock warrants provided a notice of exercise and on September 30, 2021, warrants to purchase 256,250 shares of common stock were exercised in a cashless exercise, pursuant to the terms of the original warrant agreement, resulting in the issuance of 254,014 shares. There were no warrants outstanding as of September 30, 2021 and there were 256,250 warrants outstanding as of December 31, 2020.

9. Redeemable Convertible Preferred Stock

Upon completion of the IPO, all shares of the Company's redeemable convertible preferred stock outstanding, totaling 127,410,631, were automatically converted into an equivalent number of shares of common stock on a one-

to-one basis and their carrying value of \$390.7 million was reclassified into stockholders' equity. As of September 30, 2021, there were no shares of redeemable convertible preferred stock issued and outstanding.

In connection with the IPO, the Company's amended and restated certificate of incorporation became effective, which authorized the issuance of 50,000,000 shares of undesignated preferred stock with a par value of \$0.0001 per share with right and preferences, including voting rights, designated from time to time by the Company's board of directors.

The following table summarizes information regarding each series of redeemable convertible preferred stock outstanding as of December 31, 2020:

As of December 31, 2020

(in thousands, except share and per share amounts)

Series	Shares Authorized	Shares Issued and Outstanding	Issuance Price Per Share	Carrying Amount	Aggregate Liquidation Preference
Series Seed	10,199,786	6,446,322	\$ 0.27	\$ 1,595	\$ 1,741
Series Seed Prime	8,780,816	8,643,665	0.30	2,506	2,593
Series A	11,514,347	10,359,546	0.50	5,091	5,180
Series B	14,196,476	14,196,476	0.88	12,374	12,500
Series C	25,146,777	25,146,777	1.70	41,863	42,800
Series D	30,331,802	30,331,802	3.79	109,674	115,000
Series E	22,663,934	22,663,933	5.96	129,770	135,001
Series F	9,840,797	9,294,084	\$ 9.15	84,834	85,000
Total	132,674,735	127,082,605		\$ 387,707	\$ 399,815

10. Stock-Based Compensation

In 2011, the Company adopted the Equity Incentive Plan (the "2011 Plan"), as amended, which provided for the issuance of up to 43,899,677 incentive stock options, nonqualified stock options, restricted common stock, and RSUs and stock appreciation rights to employees, directors, officers, and consultants of the Company.

In September 2021, the Company adopted the 2021 Equity Incentive Plan (the "2021 Plan", and together with the 2011 Plan, the "Plan") as a successor to the 2011 Plan. The 2021 Plan authorizes the award of both incentive stock options, nonqualified stock options, restricted common stock, stock appreciation rights, restricted stock units, and performance and stock bonus awards. Pursuant to the 2021 Plan, incentive stock options may be granted only to Company employees. The Company may grant all other types of awards to its employees, directors, and consultants. The 2021 Plan is administered by the Company's board of directors, which determines the terms of the options granted, including exercise price, number of options granted, and vesting period of such options. The 2021 Plan provides for the issuance of up to 25,000,000 shares of common stock, plus any reserved shares not issued or subject to outstanding grants under the 2011 Plan, which was 552,736 on the effective date of the 2021 Plan, for a total of 25,552,736 shares reserved for issuance under the 2021 Plan. The number of shares reserved for issuance under the 2021 Plan will increase automatically on January 1 of each of 2022 through 2031 by the number of shares equal to 5% of the aggregate number of outstanding shares of all classes of common stock as of the immediately preceding December 31, or a lesser number as may be determined by the Company's talent and compensation committee, or by the Company's board of directors acting in place of the talent and compensation committee.

In addition, in September 2021, the Company adopted the 2021 Employee Stock Purchase Plan (the "ESPP") to enable eligible employees to purchase shares of common stock with accumulated payroll deductions. The ESPP provides for the issuance of up to 3,500,000 shares of common stock. The number of shares reserved for issuance and sale under the ESPP will increase automatically on January 1 of each of 2022 through 2031 by the number of

shares equal to 1% of the aggregate number of outstanding shares of all classes of common stock as of the immediately preceding December 31, or a lesser number as may be determined by the Company's talent and compensation committee, or by the Company's board of directors acting in place of the talent and compensation committee. Subject to stock splits, recapitalizations, or similar events, no more than 35,000,000 shares of common stock may be issued over the term of the ESPP. The ESPP is intended to qualify under Section 423 of the Code, provided that the administrator may adopt sub-plans under the ESPP designed to be outside of the scope of Section 423 for participants who are non-U.S. residents. As of September 30, 2021, no awards have been granted under the ESPP, as the grant date criteria pursuant to ASC 718, *Stock-Based Compensation*, has not yet been met. The grant date for awards under the ESPP was met in October 2021, upon mutual agreement of terms and conditions, and the Company expects to recognize compensation expense related to the ESPP beginning with the fourth quarter of 2021.

As of September 30, 2021 and December 31, 2020, 25,594,331 and 206,529 options remain available for issuance under the 2021 Plan and 2011 Plan, respectively. During the period ended September 30, 2021 and December 31, 2020, activity and amounts related to awards to nonemployees under the Plan were not material.

Stock Options

Stock options granted under the Plan generally vest over a period from two years to four years from the vesting commencement date on a monthly basis with or without a one-year cliff or, for non-employees, ratably on a monthly basis over a shorter period, depending upon anticipated duration of services. Other vesting terms are determined by the Company's board of directors. All options granted under the Plan are exercisable for up to ten years from the grant date, subject to vesting. In the event of termination of service, option will generally remain exercisable, to the extent vested, for three months following the termination of service.

The following is a summary of the Company's stock option activity during the nine months ended September 30, 2021:

<i>(in thousands, except share and per share amounts)</i>	Stock Options			
	Number of Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value ⁽¹⁾
Balances as of January 1, 2021	21,034,424	\$ 1.88	7.82	\$ 64,604
Granted	8,219,753	7.26		
Exercised	(4,021,834)	1.84		66,970
Forfeited	(1,171,270)	3.24		
Balances as of September 30, 2021	24,061,073	3.68	7.91	785,826
Vested and exercisable as of September 30, 2021	9,397,761	1.63	6.47	320,288
Vested and expected to vest as of September 30, 2021	24,561,046	\$ 3.66	7.91	\$ 802,853

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock options and the estimated fair value of the Company's common stock.

The fair value of each employee stock option granted during the three and nine months ended September 30, 2021 and 2020 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Risk-free interest rates	0.74% to 1.1%	0.30% to 0.40%	0.32% to 1.19%	0.30% to 1.47%
Expected term (in years)	5.0 to 6.5 years	5.1 to 6.1 years	3.5 to 6.8 years	5.0 to 6.1 years
Volatility	49.3% to 50.5 %	37.5% to 37.9 %	37.8% to 50.5 %	37.3% to 54.0 %
Dividend rate	— %	— %	— %	— %

Fair value of underlying common stock

Prior to the completion of the IPO, the Company's board of directors considered numerous objective and subjective factors to determine the fair value of the Company's common stock at each meeting in which awards were approved. The factors considered included, but were not limited to: (i) the results of contemporaneous independent third-party valuations of the Company's common stock; (ii) the prices, rights, preferences, and privileges of the Company's redeemable convertible preferred stock relative to those of its common stock; (iii) the lack of marketability of the Company's common stock; (iv) actual operating and financial results; (v) current business conditions and projections; (vi) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company, given prevailing market conditions; and (vii) precedent transactions involving the Company's shares. After the completion of the IPO, the fair value of the Company's common stock is determined by the closing price, on the date of grant, of its common stock, which is traded on the NASDAQ.

The weighted-average grant date fair value of options granted during the three months ended September 30, 2021 and 2020, was \$15.31 and \$1.28, respectively, and during the nine months ended September 30, 2021 and 2020 was \$5.22 and \$1.00, respectively. The aggregate grant-date fair value of options vested for the three months ended September 30, 2021 and 2020 was \$2.1 million and \$1.4 million, respectively, and for the nine months ended September 30, 2021 and 2020 was \$5.4 million and \$3.8 million, respectively.

Stock-Based Compensation Expense

Stock-based compensation expense, included in the condensed consolidated statements of operations, net of amounts capitalized to internal-use software, as described in Note 4, was as follows:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Customer support and operations	\$ 40	\$ 5	\$ 77	\$ 14
Marketing	486	216	1,207	627
Technology and development	1,698	533	3,522	1,548
General and administrative	2,516	575	4,159	1,663
Total	\$ 4,740	\$ 1,329	\$ 8,965	\$ 3,852

Restricted Stock Units

Prior to the IPO, the Company granted performance-based RSUs ("PRSUs") to employees and directors that continued both service-based and performance-based vesting conditions. The service-based vesting condition for these awards is typically satisfied over four years with a cliff vesting period of one year and continued vesting quarterly thereafter. The performance-based vesting condition is satisfied on the earlier of (i) the effective date of a registration statement of the Company filed under the Securities Act for the sale of the Company's common stock or (ii) immediately prior to the closing of a change in control of the Company. Both events were not deemed probable until consummated, and therefore, stock-based compensation expense related to these PRSUs remained unrecognized prior to the effectiveness of the IPO. Upon the effectiveness of the IPO, the performance-based vesting

condition was satisfied, and therefore, the Company recognized cumulative stock-based compensation expense of \$1.1 million, using the accelerated attribution method for the portion of the awards for which the service-based vesting condition has been fully or partially satisfied. The remaining grant-date fair value of these PRSUs will be recognized over the remaining requisite service period.

Beginning in August 2021, the Company began granting RSUs to employees and directors with service-based vesting conditions. The service-based vesting condition for these awards is typically satisfied over four years with a cliff vesting period of one year and continued vesting quarterly thereafter. The grant-date fair value of these RSUs will be recognized over the requisite service period.

Restricted stock unit activity, including PRSUs, during the nine months ended September 30, 2021 is as follows:

	Number of Shares	Weighted-Average Grant-Date Fair Value Per Share
Unvested at January 1, 2021	437,369	\$ 3.54
Granted	863,715	23.16
Vested	(23,235)	3.54
Cancelled/forfeited	—	—
Unvested at September 30, 2021	<u>1,277,849</u>	<u>\$ 16.80</u>

No RSUs were granted during the three or nine months ended September 30, 2020.

As of September 30, 2021, the total unamortized compensation cost related to all non-vested share-based awards were \$67.6 million, which will be amortized over a weighted-average remaining requisite service period of approximately 2.9 years.

11. Related Party Arrangements

The Company had promissory note agreements with two executive employees in conjunction with their early exercise of stock options to purchase 1,800,000 shares of the Company's common stock. The principal amount of the notes was \$3.1 million, and interest accrued at 2.83% on the outstanding principal amount annually. The notes were secured by the shares that were exercised. Based on the non-recourse nature of these agreements, the agreements were accounted for as grants of options to purchase common stock. The fair value of the stock options, determined using the Black-Scholes option pricing model was being recognized over the requisite service period.

The associated shares are legally outstanding and included in shares of common stock outstanding in the consolidated financial statements, but were historically excluded from the Company's net loss per common share calculations, as these shares of common stock were considered unvested until the underlying promissory notes were repaid. On August 23, 2021, the promissory notes were paid in full, including all accrued interest. After repayment of the loan, these shares are now considered outstanding for purposes of the Company's net loss per common share calculations to the extent the shares are vested.

12. Income Taxes

The Company computes its tax provision for interim periods by applying the estimated annual effective tax rate to year-to-date income from recurring operations and adjusting for discrete items arising in that quarter.

The Company's effective tax rates on pre-tax income were (2.1)% and (8.7)% for the three months ended September 30, 2021 and 2020, respectively and (5.1)% and (2.8)% for the nine months ended September 30, 2021 and 2020, respectively. The difference between the effective tax rate and the U.S. federal statutory rate of 21% in both periods was primarily the result of foreign income taxed at different rates and changes in the U.S. valuation allowance.

The Company maintains a full valuation allowance against the U.S. net deferred tax assets, as it believes that these deferred tax assets do not meet the more likely than not threshold.

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions, and internationally. As of September 30, 2021, tax years 2011 through 2020 remain open for examination by taxing authorities.

The Company has applied ASC 740, *Income Taxes*, and has determined that it has no uncertain tax positions during the three and nine months ended September 30, 2021 and 2020, respectively. The Company recognizes interest and, if applicable, penalties for any uncertain tax positions. Interest and penalties are recorded as a component of income tax expense.

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was enacted by the United States on March 27, 2020. The CARES Act did not have a material impact on the Company’s provision for income taxes for the three and nine months ended September 30, 2021 or 2020.

13. 401(k) Defined Contribution Plan

The Company has a defined contribution savings plan under Section 401(k) of the Internal Revenue Code. This plan covers substantially all domestic employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. The Company makes discretionary matching contributions that are funded in the following year. The Company matches 50% of the first 3% of compensation that a participant contributes to the 401(k) plan, up to a maximum of \$1,000 per plan year. The Company contributed \$0.2 million to the 401(k) plan for each of the nine months ended September 30, 2021 and 2020, respectively, which represents the current period contribution for the prior plan year. No contributions were made to the plan in the three months ended September 30, 2021 and 2020. The Company may also make discretionary profit-sharing contributions. No profit-sharing contributions were made during the three and nine months ended September 30, 2021 and 2020.

14. Commitments and Contingencies

Guarantees and Indemnification

In the ordinary course of business to facilitate sales of its services, the Company has entered into agreements with, among others, suppliers, and partners that include guarantees or indemnity provisions. The Company also enters into indemnification agreements with its officers and directors, and the Company’s certificate of incorporation and bylaws include similar indemnification obligations to its officers and directors. To date, there have been no claims under any indemnification provisions, therefore no such amounts have been accrued as of September 30, 2021 and December 31, 2020.

Litigation

From time to time, the Company may be a party to litigation and subject to claims incident to the ordinary course of business, including intellectual property claims, labor and employment claims, threatened claims, breach of contract claims, and other matters. The Company accrues estimates for resolution of legal and other contingencies when losses are probable and estimable. Although the results of litigation and claims are inherently unpredictable, the Company believes that there was not at least a reasonable possibility that it had incurred a material loss with respect to such loss contingencies, as of September 30, 2021 and December 31, 2020.

Reserve for Transaction Losses

The Company is exposed to transaction losses including chargebacks, unauthorized credit card use, and fraud associated with customer transactions. The Company establishes reserves for such losses based on historical trends and any specific risks identified in processing customer transactions. This reserve is included in accrued expenses and other current liabilities on the condensed consolidated balance sheets. The provision for transaction losses is

included as a component of transaction expenses on the consolidated statements of operations and comprehensive loss.

The table below summarizes the Company's reserve for transaction losses for the three and nine months ended September 30, 2021 and 2020:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Beginning balance	\$ 2,321	\$ 1,761	\$ 3,250	\$ 798
Provisions for transaction losses	5,492	2,652	20,065	11,277
Losses incurred, net of recoveries	(6,306)	(2,821)	(21,808)	(10,483)
Ending balance	\$ 1,507	\$ 1,592	\$ 1,507	\$ 1,592

15. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

<i>(in thousands)</i>	September 30, 2021	December 31, 2020
Trade settlement liability	\$ 20,618	\$ 16,700
Accrued transaction expense	10,754	6,399
Accrued marketing expense	7,659	4,883
Reserve for transaction losses	1,507	3,250
Accrued salaries and benefits	5,975	1,960
Other accrued expenses	11,186	6,550
Total	\$ 57,699	\$ 39,742

16. Segment and Geographical Information

The Company determines operating segments based on how its chief operating decision maker ("CODM") manages the business, makes operating decisions around the allocation of resources, and evaluates operating performance. The Company's CODM is its Chief Executive Officer, who reviews the Company's operating results on a consolidated basis. The Company operates as one segment. Based on the information provided to and reviewed by the Company's CODM, the Company believes that the nature, amount, timing, and uncertainty of its revenue and how it is affected by economic factors are most appropriately depicted through the Company's primary geographical locations. Revenues recorded by the Company are substantially all from the Company's single performance obligation which are earned from similar services for which the nature of associated fees and the related revenue recognition models are substantially the same.

The following table presents the Company's revenue disaggregated by primary geographical location:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
United States	\$ 88,852	\$ 53,486	\$ 238,695	\$ 139,310
Canada	15,025	9,004	39,980	19,595
Rest of world	17,367	9,300	44,675	18,034
Total revenue	\$ 121,244	\$ 71,790	\$ 323,350	\$ 176,939

Revenue is attributed to the country in which the customer is located.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the year ended December 31, 2020 included in the Final Prospectus. You should read the sections titled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Remitly is a leading digital financial services provider for immigrants and their families in over 135 countries around the world.

Our differentiated approach to addressing the complexity of cross-border remittances and financial services is comprised of four core elements:

- **Providing a simple and reliable way of sending money with our mobile-centric suite of products.** Today, over 90% of our customers engage with Remitly on their mobile phones, shifting what traditionally required waiting in line to speak with an agent to the palm of their hands. Our mobile app currently has a 4.9 iOS App Store rating with more than 582,000 reviewers and a 4.8 Android Google Play rating with more than 279,000 reviewers. We have achieved this level of engagement and these high ratings by designing mobile-centric products that make the customer experience simple and convenient and give our customers complete peace of mind.
- **Conveniently putting money safely in the hands of our customers’ families, wherever they are, by relying on our global network.** Our global network of funding and disbursement partnerships enables us to complete money transfers in over 1,800 corridors without the need to deploy local operations in each country. We have partner relationships with top tier banks and leading global payment providers to give our customers an array of payment (or pay-in) options, including with a bank account, credit card or debit card, and alternative payment methods. Our disbursement network provides our customers with a choice of delivery and enables us to send (or pay-out) funds within minutes, to more than 3.6 billion bank accounts, over 660 million mobile wallets, and approximately 380,000 cash pickup locations (including retail outlets and banks). These partner relationships help drive a better customer experience, including faster transfers, higher acceptance rates, and enhanced reliability.
- **Creating trusted and personalized experiences with our localization expertise at scale.** We believe our expertise in localizing our marketing, products and customer support at scale is a key differentiator. For example, we tailor our customer experience with over 14 native languages and we drive peace of mind with our global customer support team. Additionally, for disbursement of funds, we partner with local brands that are among the most trusted and recognized by our customers, their families, and their other recipients.
- **Using our data-driven approach to better serve our customers and provide more value.** We have a data-driven approach to how we grow our business, prioritize our investments, and manage our operations. Because our customers initiate transfers digitally, we capture and leverage a body of transaction-related data that provides insight into customer behavior and customer experience. This data and the analytics we perform inform our marketing investments and product development prioritization. In addition, we leverage our data platform and proprietary models to manage pricing, treasury, risk, and customer support.

The combination of our differentiated approach and our relentless focus on meeting the financial services needs of our immigrant communities has resulted in significant customer growth, high customer engagement, rapid send volume and transaction growth, and attractive customer economics built on top of an expansive global network.

Our Revenue Model

For our remittance business, which represents the vast majority of our revenue today, we generate revenue from transaction fees charged to customers and foreign exchange spreads applied to the customer's principal.

Transaction fees vary based on the corridor, the currency in which funds are delivered to the recipient, the funding method a customer chooses (e.g., ACH, credit card, debit card, etc.), and the amount of the customer's principal.

Foreign exchange spreads represent the difference between the foreign exchange rate offered to customers and the foreign exchange rate on the Company's currency purchases. They are an output of proprietary and dynamic models that are designed to provide fair and competitive rates to our customers, while generating a spread for the Company based on our ability to buy foreign currency at generally advantageous rates.

Revenue from transaction fees and foreign exchange spreads is reduced by customer promotions. For example, we may, from time to time, waive transaction fees for first-time customers, or provide customers with better foreign exchange rates on their first transaction. These incentives are accounted for as reductions to revenue, up to the point where net historical cumulative revenue, at the customer level, is reduced to zero. We consider these incentives as an investment in our long-term relationship with customers.

The trusted relationships we foster with our customers and the repeat nature of their sending behavior has resulted in strong revenue retention rates. This provides a reoccurring revenue stream with high visibility and predictability.

Initial Public Offering and Private Placement

In September 2021, the Company completed its IPO, in which the Company issued and sold 7,000,000 shares of its common stock at \$43.00 per share. Concurrently, 5,162,777 shares were sold by certain of our existing stockholders. In addition, the Company concurrently issued 581,395 shares of common stock to an existing stockholder in a private placement at the same offering price as the IPO. The Company received net proceeds of \$305.2 million for the IPO and private placement, after deducting underwriting discounts and other fees of \$20.8 million. In connection with the IPO, 127,410,631 shares of outstanding redeemable convertible preferred stock automatically converted into an equivalent number of shares of common stock on a one-to-one basis.

Key Business Metrics

We regularly review the following key business metrics to evaluate our performance, identify trends affecting our business, prepare financial projections, and make strategic decisions. We believe that these key business metrics provide meaningful supplemental information for management and investors in assessing our historical and future operating performance. The calculation of these key business metrics discussed below may differ from other similarly titled metrics used by other companies, analysts, or investors.

Active Customers

	Three Months Ended September 30,	
	2021	2020
	(in thousands)	
Active customers	2,561	1,692

We believe that the number of our active customers is an important indicator of customer engagement and the overall growth of our business.

Active customers increased to approximately 2.6 million, or 51% growth, for the three months ended September 30, 2021, compared to the three months ended September 30, 2020. This increase was primarily due to an increase in new customers driven by investments in marketing spend, our seamless user experience, network

expansion, and the continued growth in adoption of digital remittances as a result of the COVID-19 pandemic. As Active customers are measured on a quarterly basis, the data for the nine month periods are not meaningful.

Send Volume

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions)			
Send volume	\$ 5,239	\$ 3,245	\$ 14,488	\$ 8,429

We measure send volume to assess the scale of remittances sent using our platform. Our customers mostly send from the United States, Canada, United Kingdom, other countries in Europe, and Australia. The recipients are located in over 120 countries across the globe; the largest receive countries include India, the Philippines, and Mexico.

Send volume increased approximately 61% to \$5.2 billion for the three months ended September 30, 2021, compared to \$3.2 billion for the three months ended September 30, 2020. This increase was primarily due to the growth of active customers, which increased 51% over the same period, as well as more volume transferred per active customer, which resulted in higher average revenue per active customer during the quarter. We calculate average revenue per active customer, by taking revenue for the quarter, divided by quarterly active customers.

Send volume increased \$6.1 billion, or 72%, to \$14.5 billion for the nine months ended September 30, 2021, compared to \$8.4 billion for the nine months ended September 30, 2020, largely due to higher transaction volumes from new and existing customers, partially offset by lower average send amount per active customer as a result of increasing geographic diversification, and a mix shift toward corridors with lower average send amounts.

Key Factors Affecting Our Performance

Ability to Retain Our Customers and Maintain High Customer Engagement

Our send volume is primarily driven by existing customers who regularly use our remittance product to send money home. We believe our mobile-first products and superior customer experience encourage high retention and repeat usage, which are important drivers of our performance.

We measure active customers to monitor the growth and performance of our customer base. During the third quarter of 2021, 2.6 million customers used Remitly to send money abroad, up 51% from the third quarter of 2020. The majority of our active customers send money for recurring, non-discretionary needs multiple times per month, providing a reoccurring revenue stream with high visibility and predictability.

Ability to Attract New Customers

Our long-term growth will depend, in part, on our continued ability to attract new customers to our platform. We intend to expand our customer base by launching new send and receive corridors, by continuing to innovate, and by providing the most trusted financial services for immigrants. We plan to continue to acquire new customers through digital marketing channels and word-of-mouth referrals from existing customers. We will also explore new customer acquisition channels. Given the nature of our business, new customer acquisition may negatively impact net loss and Adjusted EBITDA in the initial period, while positively impacting net loss and Adjusted EBITDA in subsequent periods.

Ability to Maintain Efficient Customer Acquisition

Our ability to efficiently acquire customers is critical to our growth and attractive customer economics. Online marketing competition, our ability to effectively target the right demographic, and competitor pricing will impact our customer acquisition strategy.

We have a history of successfully monitoring customer acquisitions costs (“CAC”) and will continue to be strategic and disciplined toward customer acquisition. For example, for performance marketing, we set rigorous customer acquisition targets that we continuously monitor to ensure a high return on investment over the long term, and we can increase or decrease this investment as desired.

Corridor Mix

Our business is global and certain attributes of our business vary by corridor such as send amount, customer funding sources, and transaction frequency. For example, a period of high growth in receive corridors with large average send amounts, such as India, could disproportionately impact send volume while impacting active customers to a lesser extent. While shifts in our corridor mix could impact the trends in our global business, including send volume and customer economics, our strategy is to manage and optimize each of these corridors over the long term based on their specific dynamics.

Seasonality

Our operating results and metrics are subject to seasonality, which may result in fluctuations in our quarterly revenues and operating results. For example, active customers and send volume generally peak as customers send gifts for regional and global holidays including, most notably, in the fourth quarter around the Christmas holiday. This seasonality typically drives higher fourth quarter customer acquisition, which generally results in higher fourth quarter marketing costs and transaction losses. It also results in higher transactions and transaction expenses, along with higher working capital needs. Other periods of seasonality include Ramadan/Eid, Lunar New Year/Tết and Mother's Day, although the impact is generally lower than in the fourth quarter. The number of business days in a quarter and the day of week that the last day of the quarter falls on may also introduce variability in our results, balance sheet, or cash flows.

Ability to Invest in Our Technology Platform and Introduce New Products

We will continue to invest significant resources in our technology platform. These investments will allow us to introduce new and innovative products, add features to current products, enhance the customer and recipient experience, grow our payment and disbursement network, invest in our risk and security infrastructure, and continue to secure data in accordance with changing best practices and legal requirements. While we expect our expenses related to technology and development to increase, which may impact short-term profitability, we believe these investments will ultimately contribute to our long term growth.

Ability to Manage Risk and Fraud

We manage fraud (e.g., through identity theft) and other illegitimate activity (e.g., money laundering) by utilizing our proprietary risk models built on machine learning processes, early warning systems, bespoke rules, and manual investigation processes. Our models and processes enable us to identify and address complex and evolving risks in these unwanted activities, while maintaining a differentiated customer experience. In addition, we integrate historical fraud loss data and other transaction data into our risk models which helps us identify emerging patterns and quantify fraud and regulatory and compliance risks across all aspects of our customer interactions. This allows us to achieve and maintain fraud loss rates within desired guardrails.

Macroeconomic and Geopolitical Changes

Global macroeconomic and geopolitical factors, including immigration, trade and regulatory policies, unemployment, foreign currency fluctuations, and the rate of digital remittance adoption impact demand for our services and the options that we can offer. These factors evolve over time and periods of significant currency appreciation or depreciation, whether in send or receive currencies, changes to global migration patterns, and changes to digital adoption trends may shift the timing and volume of transactions using our service.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic has caused significant disruption worldwide and many of our customers and employees have been impacted, resulting in increased demand for digital remittances, driving a significant acceleration in our new customer growth.

We have also experienced, and may continue to experience, a modest adverse impact on our business practices, including as a result of transitioning part of our workforce to work from home and establishing strict health and safety protocols for our offices. Our customer support and operations teams, both internal and third-party, have been impacted, which has affected our ability to service customer needs due to longer wait times.

Certain operating expenses have grown more slowly due to reduced business travel and the virtualization or cancellation of events. While a reduction in some operating expenses may have an immediate positive impact on our operating results, we do not yet have visibility into the full impact this will have on our business longer term. As COVID-19 vaccination rates increase and people begin to return to offices and other workplaces and travel more, the positive impacts of the COVID-19 pandemic on our business may slow or decline.

The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations, cash flows, and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted. We do not yet know the full extent of potential impacts on our business or operations.

We will continue to actively monitor the situation and may take further actions that may alter our business practices as may be required by federal, state, or local authorities or that we determine are in the best interests of our employees, customers, or business partners.

Throughout the COVID-19 pandemic, the Company has remained focused on serving its customers and communities, as well as the well-being of its employees.

Components of Results of Operations

Revenue

The Company's revenue is generated on transaction fees charged to customers and foreign exchange spreads on transactions where the payout currency is other than the functional currency. Revenue is recognized when control of these services is transferred to the Company's customers, which is the time the funds have been delivered to the intended recipient in an amount that reflects the consideration the Company expects to be entitled to in exchange for services provided.

Costs and expenses

Transaction Expenses

Transaction expenses include fees paid to disbursement partners for paying funds to the recipient, provisions for transaction losses, fees paid to payment processors for funding transactions, bad debt expense, fraud prevention and compliance tools.

Reserve for Transaction Losses

The Company is exposed to transaction losses including chargebacks, unauthorized credit card use, and fraud associated with customer transactions. The Company establishes reserves for such losses based on historical trends and any specific risks identified in processing customer transactions. This reserve is included in accrued expenses and other current liabilities on the consolidated balance sheets. The provision for transaction losses is included as a component of transaction expenses on the condensed consolidated statements of operations.

Customer Support and Operations

Customer support and operations expenses consist primarily of personnel-related expenses associated with the Company's customer support and operations organization, including salaries, benefits, and stock-based compensation expense, as well as third-party costs for customer support services, and travel and related office expenses. This includes our customer service teams which directly support our customers, consisting of online support and call centers, and other costs incurred to support our customers, including related telephony costs to support these teams, and investments in tools to effectively service our customers, as well as increased customer self-service capabilities. Customer support and operations expenses also include corporate communication costs and professional services fees.

Marketing

Marketing expenses consist primarily of advertising costs used to attract new customers. Marketing expenses also include personnel-related expenses associated with the Company's marketing organization staff, including salaries, benefits and stock-based compensation expense, promotions, software subscription services dedicated for use by the Company's marketing functions, and outside services contracted for marketing purposes.

Technology and Development

Technology and development expenses consist primarily of personnel-related expenses for employees involved in the research, design, development and maintenance of both new and existing products and services, including salaries, benefits and stock-based compensation expense. Technology and development expenses also include professional services fees and costs for software subscription services dedicated for use by the Company's technology and development teams.

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

General and Administrative

General and administrative expenses consist primarily of personnel-related expenses for the Company's finance, legal, human resources, facilities, and administrative personnel, including salaries, benefits and stock-based compensation expense. General and administrative expenses also include professional services fees, software subscriptions, facilities, and other corporate expenses.

As a result of the closing of our IPO, we have incurred and expect to continue to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations, and increased expenses for insurance, investor relations, and professional services. Excluding the \$6.9 million impact of the September 2021 donation of our common stock, as well as any future donations of our common stock pursuant to our Pledge 1% commitment, we expect that our general and administrative expenses will increase as our business grows but will decrease as a percentage of our revenue over time.

Depreciation and Amortization

Depreciation and amortization expense includes depreciation on property and equipment and leasehold improvements, as well as the amortization of internal-use software costs and amortization of intangible assets.

Interest Income

Interest income consists primarily of interest income earned on our cash and cash equivalents.

Interest Expense

Interest expense consists primarily of the interest expense on our borrowings.

Other Income (Expense), net

Other income (expense), net primarily consists of foreign exchange gains and losses.

Provision for Income Taxes

Provision for income taxes consists primarily of income taxes in certain foreign jurisdictions in which we conduct business and state income taxes in the United States. We maintain a full valuation allowance for U.S. deferred tax assets, which includes net operating loss carryforwards. We expect to maintain this full valuation allowance for the foreseeable future as it is more likely than not that the assets will not be realized based on our history of losses.

Results of Operations

Comparison of the three and nine months ended September 30, 2021 and 2020

Revenue

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
Revenue	\$ 121,244	\$ 71,790	\$ 49,454	69 %	\$ 323,350	\$ 176,939	\$ 146,411	83 %

Revenue increased \$49.5 million, or 69%, to \$121.2 million for the three months ended September 30, 2021. This increase was primarily driven by growth in send volume, which increased \$2.0 billion, or 61%, to \$5.2 billion for the three months ended September 30, 2021, compared to \$3.2 billion for the three months ended September 30, 2020, reflecting both an increase in active customers, as well as increased transaction frequency among our active customers, resulting in an increase in the average revenue per active customer compared to the third quarter in 2020.

Revenue increased \$146.4 million, or 83%, to \$323.4 million for the nine months ended September 30, 2021, compared to \$176.9 million for the nine months ended September 30, 2020. This increase was driven primarily by the growth in send volume, which increased \$6.1 billion, or 72%, to \$14.5 billion for the nine months ended September 30, 2021, compared to \$8.4 billion for the nine months ended September 30, 2020, along with more average revenue per active customer.

Transaction Expenses

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
Transaction expenses	\$ 47,560	\$ 28,046	\$ 19,514	70 %	\$ 135,175	\$ 74,256	\$ 60,919	82 %
Percentage of total revenue	39 %	39 %			42 %	42 %		

Transaction expenses increased \$19.5 million, or 70%, to \$47.6 million for the three months ended September 30, 2021, compared to \$28.0 million, for the three months ended September 30, 2020. The increase was primarily due to a \$15.7 million increase in direct costs associated with processing a higher volume of our customers' remittance transactions and the disbursement of our customers' funds to their recipients, a \$3.0 million increase in fraud and other losses largely driven by growth in new customers and send volume, and a \$0.8 million increase in other transaction expenses, primarily software and tools that support our compliance and risk operations.

As a percentage of revenue, transaction expenses remained flat at 39% for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020.

Transaction expenses increased \$60.9 million, or 82%, to \$135.2 million for the nine months ended September 30, 2021, compared to \$74.3 million, for the nine months ended September 30, 2020. The increase was primarily due to a \$49.2 million increase in direct costs associated with processing a higher volume of our customers' remittance transactions and the disbursement of our customers' funds to their recipients, a \$9.1 million increase in fraud and other losses largely driven by growth in new customers and send volume, and a \$2.6 million increase in other transaction expenses, primarily software and tools that support our compliance and risk operations.

As a percentage of revenue, transaction expenses remained flat at 42% for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020.

Customer Support and Operations Expenses

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
Customer support and operations	\$ 12,005	\$ 7,632	\$ 4,373	57 %	\$ 32,435	\$ 17,795	\$ 14,640	82 %
Percentage of total revenue	10 %	11 %			10 %	10 %		

Customer support and operations expenses increased \$4.4 million, or 57%, for the three months ended September 30, 2021, compared to the three months ended September 30, 2020. The increase was primarily driven by a \$1.9 million increase in internal personnel costs at our sites in the Philippines and Nicaragua that support customer operations, a \$1.8 million increase in third-party customer support costs, a \$0.6 million increase in software and telephony costs as we supported more active customers, and a \$0.1 million increase in other operating expenses.

As a percentage of revenue, customer support and operations expenses decreased to 10% for the three months ended September 30, 2021 from 11% for the three months ended September 30, 2020, due to higher revenue and process improvements increasing our efficiency.

Customer support and operations expenses increased \$14.6 million, or 82%, for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020. The increase was primarily driven by a \$6.5 million increase in third-party customer support costs, a \$5.3 million increase in internal personnel costs at our sites in the Philippines and Nicaragua that support customer operations, a \$2.1 million increase in software and telephony costs as we supported more active customers, and a \$0.7 million increase in other operating expenses including customer set up fees and other costs.

As a percentage of revenue, customer support and operations expenses remained flat at 10% for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020.

Marketing Expenses

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
Marketing	\$ 30,365	\$ 18,816	\$ 11,549	61 %	\$ 82,639	\$ 50,923	\$ 31,716	62 %
Percentage of total revenue	25 %	26 %			26 %	29 %		

Marketing expenses increased \$11.5 million, or 61%, for the three months ended September 30, 2021, compared to the three months ended September 30, 2020, due primarily to an increase of \$9.5 million in direct marketing expense, including online and offline marketing spend and promotion costs to acquire new customers. Personnel-related costs increased by \$1.2 million driven by a 29% increase in marketing headcount compared to the same period in 2020, as well as a \$0.3 million increase in stock-based compensation expense. The increase in marketing expenses was also driven by a \$0.5 million increase in other indirect marketing and employee-related costs.

As a percent of revenue, marketing expenses decreased to 25% for the three months ended September 30, 2021, from 26% for the three months ended September 30, 2020, as our existing customer base became a larger portion of revenue while our marketing spend was mostly dedicated to acquiring new customers.

Marketing expenses increased \$31.7 million, or 62%, for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020, due primarily to an increase of \$27.3 million in direct marketing expense, including online and offline marketing spend and promotion costs to acquire new customers. Personnel-related costs increased by \$2.8 million driven by a 31% increase in marketing headcount compared to the same period in 2020, as well as a \$0.6 million increase in stock-based compensation expense. The increase in marketing expenses was also driven by a \$1.0 million increase in software, employee related, professional fees and other indirect marketing costs.

As a percent of revenue, marketing expenses decreased to 26% for the nine months ended September 30, 2021, from 29% for the nine months ended September 30, 2020, as our existing customer base became a larger portion of revenue while our marketing spend was mostly dedicated to acquiring new customers.

Technology and Development Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
<i>(dollars in thousands)</i>								
Technology and development	\$ 18,123	\$ 10,380	\$ 7,743	75 %	\$ 44,965	\$ 29,439	\$ 15,526	53 %
Percentage of total revenue	15 %	14 %			14 %	17 %		

Technology and development expenses increased \$7.7 million, or 75% for the three months ended September 30, 2021, compared to the three months ended September 30, 2020. The increase was driven by \$4.4 million in personnel-related expenses resulting from a 35% increase in headcount compared to the same period in 2020, as well as a \$1.2 million increase in stock-based compensation expense. The increase in technology and development expense was also driven by a \$1.4 million increase in software costs for employee tools and cloud services due to growth in headcount and volume of transactions, \$0.3 million higher professional fees, and \$0.4 million higher employee related expenses.

As a percentage of revenue, technology and development expenses increased to 15% for the three months ended September 30, 2021, from 14% for the three months ended September 30, 2020, driven by the increase in stock-based compensation expense.

Technology and development expenses increased \$15.5 million, or 53%, for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020. The increase was driven by a \$9.0 million increase in personnel related expenses resulting from a 25% increase in headcount compared to the same period in 2020, as well as a \$2.0 million increase in stock-based compensation expense. The increase in technology and development expense was also driven by a \$3.2 million increase in software costs for employee tools and cloud services due to growth in headcount and volume of transactions, as well as \$0.8 million higher professional fees and a \$0.5 million increase in other costs.

As a percentage of revenue, technology and development expenses decreased to 14% for the nine months ended September 30, 2021, from 17% for the nine months ended September 30, 2020, as we leveraged our technology platform and infrastructure over a larger revenue and customer base.

General and Administrative Expenses

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
General and administrative	\$ 24,539	\$ 7,667	\$ 16,872	220 %	\$ 47,429	\$ 22,008	\$ 25,421	116 %
Percentage of total revenue	20 %	11 %			15 %	12 %		

General and administrative expenses increased \$16.9 million, or 220%, for the three months ended September 30, 2021, compared to the three months ended September 30, 2020. This increase was primarily driven by a \$6.9 million donation of common stock in connection with our Pledge 1% commitment. In addition, personnel-related costs increased by \$3.2 million, primarily driven by a 63% increase in the general and administrative headcount compared to the same period in the prior year, as well as a \$1.9 million increase in stock-based compensation expense. Included within the stock based compensation expense for the three months ended September 30, 2021 is approximately \$1.1 million related to the recognition of expense associated with restricted stock units with performance conditions that were met upon IPO. The increase in general and administrative expenses was also due to a \$2.8 million increase in professional, regulatory and corporate fees to support the IPO and ongoing public company costs, a \$1.0 million increase in employee-related expenses due to increased recruiting and travel costs, and a \$1.1 million increase to other operating expense.

As a percent of revenue, general and administrative expenses increased to 20% for the three months ended September 30, 2021, from 11% for the three months ended September 30, 2020, due primarily to the donation of common stock and costs related to the IPO.

General and administrative expenses increased \$25.4 million, or 116%, for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020. Personnel-related expenses increased by \$7.0 million, primarily driven by a 52% increase in the general and administrative headcount compared to the same period in 2020, as well as a \$2.5 million increase in stock-based compensation expense. Included within the stock based compensation expense for the nine months ended September 30, 2021 is approximately \$1.1 million related to the recognition of expense associated with restricted stock units with performance conditions that were met upon IPO. The increase in our general and administrative headcount over the last year is primarily due to the investments we have made in our human resources, legal, and finance teams to prepare to become a public company. The increase in general and administrative expense was also due to a \$6.9 million annual donation of common stock, a \$5.5 million increase in professional, regulatory, and corporate fees to support the IPO and ongoing public company costs, a \$1.2 million increase to employee-related expenses, a \$1.1 million increase to other taxes, a \$0.6 million increase in facilities expense and a \$0.6 million increase in software expense.

As a percentage of revenue, general and administrative expenses increased to 15% for the nine months ended September 30, 2021, from 12% for the nine months ended September 30, 2020, due primarily to the September 2021 donation of common stock in connection with our Pledge 1% and costs related to the Company's IPO.

Depreciation and Amortization

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
Depreciation and Amortization	\$ 1,319	\$ 1,002	\$ 317	32 %	\$ 3,890	\$ 2,859	\$ 1,031	36 %
Percentage of revenue	1 %	1 %			1 %	2 %		

Depreciation and amortization increased \$0.3 million, or 32%, for the three months ended September 30, 2021, compared to the three months ended September 30, 2020. This increase is mostly due to an increase in depreciation for internally developed software, computers, and leasehold improvements.

Depreciation and amortization increased \$1.0 million, or 36%, for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020. This increase is mostly due to an increase in depreciation for internally developed software, computers, and leasehold improvements.

Interest Income

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
Interest income	\$ 82	\$ 7	\$ 75	nm	\$ 92	\$ 181	\$ (89)	(49)%

nm = not meaningful

Interest income increased by an immaterial amount for the three month period ended September 30, 2021, compared to the three months ended September 30, 2020.

Interest income decreased by an immaterial amount for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020.

Interest Expense

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
Interest expense	\$ (512)	\$ (247)	\$ 265	107 %	\$ (1,048)	\$ (1,027)	\$ 21	2 %

Interest expense increased \$0.3 million for the three month period ended September 30, 2021, as compared to the three month period ended September 30, 2020, primarily due to higher interest expense on borrowings under our credit facilities during the period, as well as approximately \$0.1 million in debt extinguishment costs, as a result of refinancing our existing revolving line of credit and entering into the New Revolving Credit Facility in September 2021.

Interest expense remained flat for the nine month period ended September 30, 2021, as compared to the nine month period ended September 30, 2020.

Other Income (Expense), Net

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
Other income (expense), net	\$ 396	\$ (241)	\$ 637	(264)%	\$ 3,044	\$ (1,737)	\$ 4,781	(275)%

Other income (expense), net, increased \$0.6 million from other (expense), net, for the three month period ended September 30, 2021, compared to the three month period ended September 30, 2020, primarily due to foreign exchange remeasurements on transactions associated with high-volume balance sheet balances, and volatility in related currencies including the Mexican peso, Philippine peso, and Colombian peso.

Other income (expense), net, increased \$4.8 million from other (expense), net, for the nine month period ended September 30, 2021, compared to the nine month period ended September 30, 2020, primarily due to foreign exchange remeasurements on transactions associated with high-volume balance sheet balances, and volatility in related currencies including the Mexican peso, Philippine peso, and Colombian peso.

Provision for Income Taxes

(dollars in thousands)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2021	2020	Amount	Percent	2021	2020	Amount	Percent
Provision for income taxes	\$ 261	\$ 195	\$ 66	34 %	\$ 1,085	\$ 635	\$ 450	71 %

The provision for income taxes increased by \$0.1 million, or 34%, for the three months ended September 30, 2021 compared to the three months ended September 30, 2020, due to an increase in taxable income for our international entities.

The provision for income taxes increased \$0.5 million, or 71%, for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020, primarily due to an increase in taxable income for our international entities.

Non-GAAP Financial Measures

We regularly review the following non-GAAP measure to evaluate our performance, identify trends affecting our business, prepare financial projections, and make strategic decisions. We believe that this non-GAAP measure provides meaningful supplemental information for management and investors in assessing our historical and future operating performance. The calculation of this non-GAAP measure discussed below may differ from other similarly titled metrics used by other companies, analysts, or investors.

We use Adjusted EBITDA, a non-GAAP financial measure to supplement net loss. Adjusted EBITDA is calculated as net loss adjusted by i) interest expense, net; ii) provision for income taxes; iii) non-cash charge of depreciation and amortization; iv) other expense (income), net, including gains and losses from the remeasurement of foreign currency assets and liabilities into their functional currency and v) non-cash stock-based compensation expense, as well as vi) non-cash charges associated with our donation of common stock in connection with our Pledge 1% commitment.

Our goal is not to maximize Adjusted EBITDA in any given quarter, but to drive revenue growth with investments that generate long-term value. Adjusted EBITDA is a key output measure used by our management to evaluate our operating performance, inform future operating plans, and make strategic long term decisions, including those relating to operating expenses and the allocation of internal resources.

Adjusted EBITDA has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for the related financial information prepared in accordance with GAAP. These limitations include the following:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditures or other capital commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the effect of income taxes that may represent a reduction in cash available to us;
- Adjusted EBITDA does not reflect the effect of gains and losses from the remeasurement of foreign currency assets and liabilities into their functional currency;
- Adjusted EBITDA excludes non-cash charges associated with the donation of our common stock in connection with our Pledge 1% commitment, which is recorded in general and administrative expense;

- Adjusted EBITDA excludes stock-based compensation expense, which has recently been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy; and
- other companies, including companies in our industry, may calculate Adjusted EBITDA differently from how we calculate this measure or not at all, which reduces its usefulness as a comparative measure.

The following table sets forth a reconciliation of net loss before taxes to Adjusted EBITDA, the most directly comparable financial measure prepared in accordance with GAAP, for each of the periods indicated:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net loss	\$ (12,962)	\$ (2,429)	\$ (22,180)	\$ (23,559)
Add:				
Interest expense, net	430	240	956	846
Provision for income taxes	261	195	1,085	635
Depreciation and amortization expenses	1,319	1,002	3,890	2,859
Foreign exchange (gain) loss	(396)	241	(3,044)	1,737
Donation of common stock	6,933	—	6,933	—
Stock-based compensation expense	4,740	1,329	8,965	3,852
Adjusted EBITDA	\$ 325	\$ 578	\$ (3,395)	\$ (13,630)

Adjusted EBITDA of \$0.3 million for the three months ended September 30, 2021, decreased 44% compared to \$0.6 million for the three months ended September 30, 2020. Although we have continued to experience revenue growth, this growth has been partially offset by higher processing and customer support costs, and other general and administrative expenses.

Adjusted EBITDA improved to \$(3.4) million for the nine months ended September 30, 2021, compared to \$(13.6) million for the nine months ended September 30, 2020, driven by continued acceleration in revenue and new customer acquisition partially offset by higher processing and customer support costs, investments in customer acquisition and our technology platform, and other general and administrative expenses.

Liquidity and Capital Resources

We have financed our operations and capital expenditures primarily through cash generated from operations including transaction fees and foreign exchange spreads, sales of our redeemable convertible preferred stock, proceeds from our IPO and concurrent private placement, and our \$250.0 million New Revolving Credit Facility. We had unused borrowing capacity of \$250.0 million and \$70.0 million as of September 30, 2021 and December 31, 2020, respectively. As of September 30, 2021 and December 31, 2020, our principal sources of liquidity were cash and cash equivalents of \$443.3 million and \$186.7 million, respectively, and funds available under the New Revolving Credit Facility and our previous revolving credit facility, respectively.

We believe that our cash, cash equivalents, and funds available under the New Revolving Credit Facility will be sufficient to meet our working capital requirements for at least the next twelve months. In the future, we may attempt to raise additional capital through the sale of equity securities or through equity-linked securities, and the ownership of our existing stockholders would be diluted. If we raise additional financing by incurring additional indebtedness, we may be subject to increased fixed payment obligations and could also be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur may result in terms that are unfavorable to equity investors. There can be no assurances that we will be able to raise additional capital. The inability to raise capital would adversely affect our ability to achieve our business objectives.

The following table shows a summary of our cash flows for the periods presented:

<i>(in thousands)</i>	Nine Months Ended September 30,	
	2021	2020
Net cash provided by (used in):		
Operating activities	\$ 19,425	\$ (71,176)
Investing activities	(3,288)	(3,416)
Financing activities	239,665	41,850

Operating Activities

Our main sources of operating cash are transaction fees charged to customers and foreign exchange spreads on transactions. Our primary uses of cash from operating activities have been for advertising expenses used to attract new customers, transaction expenses that include fees paid to payment processors and disbursement partners, personnel-related expenses, technology and analytics, and other general corporate expenditures.

Net cash used in operating activities mainly consists of our net loss adjusted for certain non-cash items, including stock-based compensation expense, depreciation and amortization, amortization of operating lease right-of-use assets, and changes in operating assets and liabilities during each period.

For the nine months ended September 30, 2021, net cash provided by operating activities was \$19.4 million, which primarily consisted of favorable changes in our operating assets and liabilities of \$21.5 million offset by net loss of \$22.2 million, excluding approximately \$20.1 million of non-cash charges included within net loss for the period. The main drivers for the change in operating assets and liabilities were an increase in customer liabilities of \$50.3 million due to growth in our business and timing of disbursements, offset by an increase in customer receivables of \$29.1 million in line with the growth in our business, and timing of cash settlement.

For the nine months ended September 30, 2020, net cash used in operating activities was \$71.2 million, which primarily consisted of changes in our operating assets and liabilities of \$54.4 million, as well as a net loss of \$23.6 million, excluding approximately \$6.8 million of non-cash charges included within net loss for the period. The main drivers for the change in operating assets and liabilities were a decrease in customer liabilities of \$28.9 million, as well as increases in disbursement prefunding of \$30.3 million and customer funds receivable of \$13.5 million, due to growth in our business and timing of cash settlements and disbursements, respectively. These changes were partially offset by an \$21.6 million increase in the balance of accrued expenses and other liabilities due to the timing of the settlement of expenses in the ordinary course of business.

Investing Activities

Cash used in investing activities consists primarily of purchases of property and equipment and capitalization of internal-use software.

Net cash used in investing activities was \$3.3 million for the nine months ended September 30, 2021 and \$3.4 million for the nine months ended September 30, 2020, primarily related to purchases of property and equipment to support the increase in headcount, and capitalization of internal use software costs.

Financing Activities

Cash provided by financing activities consistent primarily of proceeds from our IPO and concurrent private placement, as well as previous issuances of redeemable convertible preferred stock, and proceeds from the exercise of stock options. Cash used in financing activities consists primarily of repayments of our Revolving Credit Facility borrowings, partially offset by proceeds from the issuance of our redeemable convertible preferred stock, and proceeds from the exercise of stock options.

Net cash provided by financing activities for the nine months ended September 30, 2021 of \$239.7 million was primarily driven by proceeds from the issuance of common stock upon our IPO and concurrent private placement, net of underwriting discounts and commissions and other offering costs of \$307.1 million, which excludes \$1.9

million of offering costs not yet paid as of September 30, 2021. These proceeds were partially offset by repayments of our Revolving Credit Facility borrowings of \$80.0 million and payments of debt issuance costs of \$1.0 million. Other financing sources in the nine months ended September 30, 2021 included proceeds from the exercise of stock options of \$7.5 million, the repayment of a non-recourse promissory note of \$3.1 million, and the issuance of Series F redeemable convertible preferred stock, net of issuance costs of \$2.9 million.

Net cash provided by financing activities for the nine months ended September 30, 2020 of \$41.9 million was primarily driven by proceeds from the issuance of Series F convertible preferred stock of \$84.5 million, and proceeds from the exercise of stock options of \$2.0 million, partially offset by repayments of our Revolving Credit Facility borrowings of \$45.0 million.

Contractual Obligations and Commitments

There were no material changes outside of the ordinary course of business in the Company's commitments and contingencies during the nine months ended September 30, 2021 from the commitments and contingencies disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations", set forth in our Final Prospectus. Also refer to Note 14 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Off-Balance Sheet Arrangements

As of September 30, 2021, the Company had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our condensed consolidated financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Critical Accounting Policies and Estimates

The Company's condensed consolidated financial statements and accompanying notes included in this Quarterly Report on Form 10-Q are prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures. The Company's estimates are based on historical experience and on various other factors that it believes are reasonable under the circumstances. Actual results may differ significantly from the estimates made by management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected.

There have been no material changes to the Company's critical accounting policies and estimates as compared to those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in our Final Prospectus.

Recently Issued Accounting Pronouncements

See Note 2, Summary of Significant Accounting Policies, in the notes to the Company's condensed consolidated financial statements included in Part I, Item I of this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements.

JOBS Act

We are an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

We expect to use the extended transition period for any new or revised accounting standards during the period in which we remain an emerging growth company.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential for economic losses to be incurred on market risk sensitive instruments arising from adverse changes in market factors such as interest rates, foreign currency exchange rates, and equity investment risk. Management establishes and oversees the implementation of policies governing our investing, and funding, and foreign currency activities in order to mitigate market risks. We monitor risk exposures on an ongoing basis.

Credit Risk

We have a limited number of pay-in payment processors and therefore we are exposed to credit risk relating to those pay-in payment providers if in the course of a transaction, we were to disburse funds to the recipient but the pay-in payment provider does not deliver our customer's funds to us (for example, due to their illiquidity). We mitigate this credit risk by engaging with reputable pay-in payment providers and entering into written agreements with pay-in providers allowing for legal recourse. We are also exposed to credit risk relating to many of our disbursement partners when we pre-fund or remit funds in advance of having collected funds from our customers through our pay-in payment processors, if our disbursement partners fail to disburse funds according to our instructions (for example, due to their insufficient capital). We mitigate these credit exposures by engaging with reputable disbursement partners and performing a credit review before onboarding each disbursement partner. We also periodically review credit ratings or, if unavailable, other financial documentation, of both our pay-in payment providers and disbursement partners. We have not experienced significant losses during the periods presented.

Foreign Currency Exchange Rate Risk

Given the nature of our business, we are exposed to foreign exchange rate risk in a number of ways. Our principal exposure to foreign exchange rate risk includes:

- Exposure to foreign currency exchange risk on our cross-border payments if exchange rates fluctuate between initiation of the transaction and transaction disbursement to the recipient. We disburse transactions in multiple foreign currencies, including most notably the Indian rupee, the Mexican peso, and the Philippine peso. In the vast majority of cases, the recipient disbursement occurs within a day of sending, which mitigates foreign currency exchange risk. To enable disbursement in the receive currency, we prefund many disbursement partners one to two business days in advance based on expected send volume. Foreign exchange rate risk due to differences between the timing of transaction initiation and payment varies based on the day of the week and the bank holiday schedule; for example, disbursement prefunding is typically largest before long weekends.
- While the majority of our revenue and expenses are denominated in the U.S. dollar, certain of our international operations are conducted in foreign currencies, a significant portion of which occur in Canada, the United Kingdom, and Europe. Changes in the relative value of the U.S. dollar to other currencies may affect revenue and other operating results as expressed in U.S. dollars.

As of September 30, 2021 and December 31, 2020, a hypothetical uniform 10% strengthening or weakening in the value of the U.S. dollar relative to all other currencies in which our net loss is generated, would have resulted in a decrease or increase to the fair value of our assets and liabilities denominated in currencies other than the subsidiaries' functional currencies of approximately \$3.6 million and \$9.7 million, respectively, based on our unhedged exposure to foreign currency at that date. There are inherent limitations in this sensitivity analysis, primarily due to the following assumptions: (1) foreign exchange rate movements are linear and instantaneous, (2) exposure is static, and (3) customer transaction behavior due to currency rate changes is static. As a result, the analysis is unable to reflect the potential effects of more complex market changes that could arise, which may positively or negatively affect our results from operations. For example, the impact on December 31, 2020 as shown in this sensitivity analysis is higher than normal, when compared to the prior year, and also as compared to September 30, 2021, as the disbursement prefunding balance on December 31, 2020 was \$102.0 million due to the need to fund transactions to be paid out over the upcoming long holiday weekend. Both the disbursement prefunding

balance and the customer funds liability balance (and resulting net impact to our net currency position) may be highly variable day to day. In addition, changes in foreign exchange rates may impact customer behavior by altering the timing or volume of transactions sent through our platform. For example, an increase in the value of a send currency against a receive currency may accelerate the timing or amount of remittances.

To the extent practicable, we minimize our foreign currency exposures by maintaining natural hedges between our current assets and current liabilities in similarly denominated foreign currencies. At this time, we do not enter into derivatives or other financial instruments in an attempt to hedge our foreign currency exchange risk. We may do so in the future, but it is difficult to predict the impact hedging activities would have on our operating results.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The term “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), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on such evaluation, and in consideration of our material weaknesses, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were not effective at the reasonable assurance level. In light of this fact, our management has performed additional analyses, reconciliations, and other post-closing procedures and has concluded that, notwithstanding the material weaknesses in our internal control over financial reporting, the unaudited interim condensed consolidated financial statements for the periods covered by and included in this Quarterly Report on Form 10-Q fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Internal Control Over Financial Reporting

In the course of preparing our financial statements, our management has determined that we have material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

The material weaknesses are as follows: we did not design and maintain effective controls over certain information technology (“IT”) general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain: (1) program change management controls for certain financial systems to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately; and (2) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to certain financial systems, programs, and data to appropriate Company personnel.

This material weakness contributed to the following material weakness: we did not design and maintain effective controls over segregation of duties of journal entries. More specifically, certain personnel had the ability to prepare and post journal entries without an independent review performed by someone without this ability.

These material weaknesses did not result in a misstatement to our unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2021 or to our annual consolidated financial

statements for the period ended December 31, 2020. However, each of the material weaknesses described above, individually and aggregated, could impact the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

As of the date of this Quarterly Report, these remain material weaknesses and we are in the process of remediating these material weaknesses. In order to remediate these material weaknesses, we have taken and plan to take the following actions: (1) developing enhanced risk assessment procedures and monitoring controls related to changes in financial systems; (2) implementing comprehensive access control protocols to implement restrictions on user and privileged access to the affected applications; (3) implementing controls to review and monitor user access; and (4) establishing additional controls over the preparation and review of journal entries.

We have concluded that these material weaknesses in our internal control over financial reporting occurred because, prior to the effectiveness of our IPO, we were a private company and did not have the necessary business processes and related internal controls necessary to satisfy the accounting and financial reporting requirements of a public company.

Changes in Internal Control over Financial Reporting

As required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act, our management, including our Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of our internal control over financial reporting to determine whether any changes occurred during the quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Except for the remediation efforts noted above, there were no changes to our internal control over financial reporting that occurred during the quarter ended September 30, 2021 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

In the normal course of business, the Company occasionally becomes involved in various legal proceedings. In the opinion of management, any liability from such proceedings would not have a material adverse effect on the business or financial condition of the Company.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q including “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” our condensed consolidated financial statements and the accompanying notes included elsewhere in this Quarterly Report on Form 10-Q, and our final prospectus, or Prospectus, dated September 22, 2021 and filed with the U.S. Securities and Exchange Commission, or the SEC, pursuant to Rule 424(b) under the Securities Act of 1933, as amended, or the Securities Act, before making a decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. If any of the following risks occur, our business, financial condition, operating results, and future prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.

Business and Strategic Risks

If we fail to retain or grow our customer base, number of payment corridors, or scope of send and receive countries, our business and operating results will be harmed.

We must continually retain and grow our base of customers, number of payment corridors and the scope of our global networks to grow our business. Our ability to do so depends on the quality and successful execution of our business strategy, as well as factors outside our control, including the macroeconomic context, geopolitical forces, evolving consumer preferences, and regulatory costs and requirements in key jurisdictions. It also will depend on the quality and speed of competitor innovation and marketing and the reliability and quality of services provided by the third parties that we partner with to provide our integrated service. These areas are all complex and evolving regularly and any significant failure to anticipate and successfully manage these areas in relation to either traditional or emerging developed to developing corridors could significantly impair our ability to retain and grow our base of customers or the scope of our send and receive markets. If we are unable to retain and grow our base of customers or the scope of our send and receive markets, our business and operating results may be harmed.

We partner with third parties to support fulfillment of our service, including risk management, payment processing, customer support, and disbursement, which exposes us to risks outside our direct control.

We partner with a variety of third parties to fulfill our services. For example, we integrate third-party technologies into our proprietary know your customer (“KYC”) and risk management systems and information security program and we also partner with an extensive network of third parties to deliver payment processing for customers and disbursement of funds to recipients. Any failure or disruption to the services provided by these third parties could cause disruption or delay the delivery of our services and negatively impact our customer experience. For example, any natural disaster that affects the ability of our payment processors to process funds could cause delays to our disbursement process and thereby negatively impact our customer experience and cause our express or economy delivery guarantees to fail. Additionally, if a payment processor experiences a service outage or service interruption that results in our being unable to collect funds from customers, our liquidity could be harmed and we may not meet our capital requirements.

Our third-party partners also support our business operations and processes, including customer support services, from their various locations around the world. If such third-party partners choose to cease or otherwise become unable to provide the business process support services for which they are contracted by us, we risk having delays in customer service or other interruptions in our business operations, which can have a detrimental effect on our reputation and ultimately lead to a loss of customers.

In addition, some of these third parties process personally identifiable information and customer payments subject to our security requirements. Any failure of these parties to implement and operate adequate cybersecurity, data privacy, business continuity, fraud controls or other internal controls, or any failure of ours to identify and require remediation of weaknesses in these areas, could result in significant liability or financial loss to our customers and us. We could face regulatory or governmental consequences for any significant failure caused by such partners as well as substantial costs associated with remediation of harm, either due to legal requirements or customer experience management. In many cases, we may elect to correct such errors even where not legally or contractually required to do so in order to retain customer loyalty and maintain our brand.

If we are not able to innovate, improve existing products, and develop new products that achieve market acceptance, our growth, business, operating results, financial condition and future prospects could be materially and adversely affected.

Our solution is a technology-driven platform that relies on innovation to remain competitive. Our process of developing new features and products is complex and relies upon both internally developed and third-party technologies and services, including artificial intelligence (“AI”) and machine learning, and cloud-based technologies. We may not be able to make product or technological improvements as quickly as demanded by our customers, or to market them effectively, which could harm our ability to attract or retain customers. For example, we have recently launched new products such as *Passbook* and *Remitly for Developers*, each of which required investments by us, and may continue to require investments. It is possible that these new products may not result in a return of our investment or be profitable, which may have an adverse effect on our business and financial results. Additionally, the majority of our customers access our products through our mobile website and mobile app, and we must ensure that our offerings are optimized for mobile devices and that our mobile apps are interoperable with popular third-party mobile operating systems such as Google Android and Apple iOS. If we are unable to successfully and in a timely fashion innovate and improve our existing products that achieve market acceptance, and continue to deliver a superior customer experience, our growth, business, operating results, financial condition, and future prospects could be materially and adversely affected.

We operate in a highly competitive and evolving market and may be unable to compete successfully against existing and future competitors which employ a variety of existing business models and technologies or new innovations.

The market for remittances is global, highly competitive, and fragmented and includes a mix of traditional and digital players, including traditional banks, digital-first cross-border payment providers, online-only banks, and cryptocurrency providers. Some of the competitors are significantly larger than we are, have longer operating histories, have more scale and name recognition, and more resources to deploy. We also compete against smaller, country-specific companies, banks, and informal person-to-person money transfer service providers that may have more ability to effectively tailor products and services, marketing and regulatory compliance to local preferences and requirements.

For example, some of these competitors may introduce new products or services that render us unable to retain our existing customers or attract new customers at prices that are consistent with our pricing model and operating budget. Our pricing strategy for our cross-border payments may prove to be unappealing to our customers, and our competitors could choose to bundle certain products and services that are competitive with ours. If this were to occur, it is possible that we would have to change our pricing strategies or reduce our prices, which could harm our revenue, gross profits, and operating results.

In addition, the broader financial services sector is also experiencing rapid evolution in technologies and there has recently been significant advancement in the development of neobanking and the exchange of digital assets, or

cryptocurrency, that could materially impact the financial services industry in the future. The advancement in the development of cryptocurrencies has led to new entrants in the market for remittances and financial services more generally, including companies that have traditionally focused on social networks. Although still in early stages, cryptocurrency usage is growing, and, if we are unable to integrate cryptocurrency or other new financial technologies into our services, we may be unable to compete successfully.

Any failure to obtain or maintain necessary money transmission licenses across our global footprint could adversely affect our operations.

The provision of money transfer services is highly regulated, and the requirements vary from jurisdiction to jurisdiction. In the U.S., we are registered as a Money Services Business with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury (“FinCEN”), and are also licensed to operate as a money transmitter in 48 U.S. states and the District of Columbia.

Outside the U.S., we provide services to our customers in a variety of ways. In several key jurisdictions, we have obtained licenses to operate as a money services business or payment institution, as applicable. In the United Kingdom, we have obtained a payment institution license from the Financial Conduct Authority. In Ireland, we have obtained a payment institution license from the Central Bank of Ireland, and such license is recognized across the European Economic Area. In Singapore, we are licensed by the Monetary Authority of Singapore as a major payment institution. In Canada, we are registered with the Financial Transactions and Reports Analysis Centre of Canada as a money services business. In Australia, we are registered as a remittance service provider. We plan to apply for money transmitter licenses or their equivalents in additional jurisdictions. Additionally, in several foreign jurisdictions, we work with disbursement partners to make funds available to recipients. These may be locally licensed businesses or regulated banks whom we believe to be compliant with local laws. If these disbursement partners fail to comply with local laws, we could be required to seek an alternate solution, which could impact our service and our business.

As a licensed money transmitter, we are subject to net worth requirements, bonding requirements, liquidity requirements, requirements for regulatory approval of controlling stockholders, restrictions on our investment of customer funds, reporting requirements, anti-money laundering compliance requirements, cybersecurity requirements, and monitoring, examination and oversight by state, federal, and international regulatory agencies. If our licenses are not renewed or we are denied licenses in additional states or jurisdictions where we choose to apply for a license, we could be forced to change our business practices or be required to bear substantial cost to comply with the requirements of the additional states or jurisdictions. Further, if we were found by these regulators to be in violation of any applicable banking or money services laws or regulations, we could be subject to fines, penalties, lawsuits, and enforcement actions; additional compliance requirements; increased regulatory scrutiny of our business; restriction of our operations; or damage to our reputation or brand. Regulatory requirements are constantly evolving, and we cannot predict whether we will be able to meet changes to existing regulations or the introduction of new regulations without such compliance harming our business, financial condition, and operating results.

Certain jurisdictions have enacted rules that require licensed money transmitters to establish and maintain transaction monitoring and filtering programs, and cybersecurity programs. Wherever we are subject to these rules, we are required to adopt additional business practices that could also require additional capital expenditures or impact our operating results. If federal, state, or international regulators were to take actions that interfered with our ability to transfer money reliably including if they attempted to seize transaction funds, to limit or prohibit us, our payment processors, or our disbursement partners from transferring money in certain countries, whether by imposing sanctions or otherwise such actions could harm our business. Regulators could also impose other regulatory orders, monetary penalties, or other sanctions on us. Any change to our business practices that makes our service less attractive to customers or prohibits use of our services by residents of a particular jurisdiction could decrease our transaction volume and harm our business.

We have grown rapidly in recent years and have limited operating experience at our current scale of operations. If we are unable to manage our growth effectively, our business and operating results may be materially and adversely affected. We also may not be able to sustain our growth rate in the future.

We have experienced rapid growth in recent periods in both our headcount and transaction volume, both of which place substantial demands on our management and operational resources. We will need to continue to improve our operational, financial, and management controls and our reporting systems and procedures to manage this growth. For example, in the previous three years, our headcount grew from over 750 employees as of the beginning of 2019, to over 1,700 global employees as of September 30, 2021, and we expect our headcount to continue to grow. Additionally, we may not be able to hire new employees quickly enough to meet our needs or we may fail to effectively integrate, develop, and motivate our new employees. If we cannot efficiently and quickly hire and manage our growing number of employees, our employee morale, productivity, and retention could suffer, and our business and operating results could be materially and adversely affected.

Further, as we continue to grow, our business becomes increasingly complex and requires more resources. We have expended and anticipate continuing to expend significant capital expenditures and other resources on expanding our IT infrastructure, streamlining our business and management processes, and other operational areas. Continued growth could strain our existing resources and we could experience operating difficulties in managing our business across numerous jurisdictions. Failure to effectively scale could harm our future success, including our ability to retain and recruit personnel and to effectively focus on our growth strategy.

For example, our controls, policies and procedures, including with respect to accounting, risk management, data privacy, cybersecurity, client onboarding, transaction monitoring and reliance on manual controls, among other compliance matters, remain under development and may not be consistently applied or fully effective to identify, monitor and manage all risks of our business as we continue to scale rapidly. If we do not inform, train and manage our employees properly, we may fail to comply with applicable laws and regulations, which could lead to adverse regulatory action. Moreover, the process by or speed with which our internal controls and procedures are implemented or adapted to changing regulatory or commercial requirements may be inadequate to ensure full and immediate compliance, leaving us vulnerable to inconsistencies and failures that may have a material adverse effect on our business, results of operations and financial condition. If our controls, policies and procedures are not fully effective or we are not successful in identifying and mitigating all risks to which we are or may be exposed, we may suffer uninsured liability, harm to our reputation or be subject to litigation or regulatory actions that could materially and adversely affect our business, financial condition and results of operations.

If we or our industry generally are unable to provide a high-quality and secure customer experience in the various locales in which we operate, our brand could suffer reputational damage and our business results could be harmed.

Our business is largely driven by and reliant on customer trust in our handling of money remittances. The pricing and reliability of our service, the security of personally identifiable and other sensitive information of our customers, and a responsive and effective customer support function are each critical elements for the maintenance of this trust. For example, any significant interruption in either our internal or our partners' risk management, payment processing or disbursement systems could reduce customer confidence in our services. In addition, any breach, or reported breach, of information security policies or legal requirements that result in a compromise of customer data or causes customers to believe their data has been compromised could have a significant negative effect on our business. Legal claims and regulatory enforcement actions could also arise in response to these events, which would further exacerbate erosion of customer trust and potentially result in operating losses and liabilities. If we are unable to maintain affordable pricing, deliver services reliably and securely, or address customer support issues in an effective and timely manner, our reputation and our business and operating results could suffer material harm. In addition, any erosion in confidence in digital financial service providers as a means to transfer money generally could have a similar negative effect on us.

We transfer large sums of customer funds daily, and are subject to the risk of loss due to errors or fraudulent or illegitimate activities of customers or third parties, any of which could result in financial losses or damage to our reputation and trust in our brand, which would harm our business and financial results.

Our business is subject to the risk of financial losses as a result of operational errors, fraudulent activity, employee misconduct, or other similar actions or errors on our platform. We have been in the past, and will continue to be, subject to losses due to software errors in our platform, operational errors by our employees or third-party

service providers. For example, incorrect input of payments into a third party processor's systems has in the past affected the issuance rebates we received from our card services provider, which in turn negatively impacted revenue. In addition, we also are regularly targeted by parties who seek to commit acts of financial fraud, using a variety of techniques, including stolen bank accounts, compromised business email accounts, employee fraud, account takeover, false applications, and check fraud. We are also routinely targeted for illegitimate transactions such as money laundering. These risks are inherently greater for us because our corridors for remittances are generally from developed to developing economies, which have traditionally been highly targeted by bad actors perpetrating fraud or other unwanted activity. The methods used to perpetrate these illegal activities are continually evolving, and we expend considerable resources to monitor and prevent them. Our risk management efforts may not effectively prevent, and we may suffer losses from, these errors and activities and, in some cases, our usual risk allocation agreements and insurance coverages may not be sufficient to cover these losses. We have experienced transaction losses of \$7.6 million, or 0.11%, \$17.2 million, or 0.14%, and \$21.8 million, or 0.15% of total send volume in connection with such errors, fraud, and misconduct in the years ended December 31, 2019 and December 31, 2020 and in the nine month period ended September 30, 2021, respectively. We expect that losses of similar magnitude may occur again in the future. If any of these errors or illegitimate or fraudulent activities are significant, we may be subject to regulatory enforcement actions, suffer significant losses or reputational harm and our business, operating results, and financial condition could be adversely affected.

We have a history of operating losses and there is no assurance that our business will become profitable or that, if we achieve profitability, we will be able to sustain it.

We were incorporated in 2011 and we have experienced net losses since inception. We generated net losses of \$13.0 million and \$2.4 million for the three months ended September 30, 2021 and 2020, and net losses of \$22.2 million and \$23.6 million for the nine months ended September 30, 2021 and 2020. While we have experienced significant revenue increases in recent periods, we are not certain whether our customer base will continue to expand to the point where we may achieve profitability. If the assumptions we use to plan our business are incorrect or change, or if we are unable to maintain consistent revenue, it may be difficult to achieve and maintain profitability. Our revenue from any prior quarterly or annual periods should not be relied upon as an indication of our future revenue or revenue growth. We have historically spent, and intend to continue to spend, significant funds to further develop and secure our technology platform, develop new products and functionalities, invest in marketing programs to drive new customer acquisition, expand strategic partner integrations, and support international expansion into new payment corridors. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. We will also face increased compliance and security costs associated with growth, the expansion of our customer base and corridors, and being a public company. Our history of net losses has also caused us to at times draw on our then-outstanding revolving lines of credit to satisfy our capital requirements and any inability to maintain or secure financing on satisfactory terms could materially and adversely impact our business. Our financial performance each quarter is also impacted by circumstances beyond our control, such as our ability to retain our customers, ability to efficiently attract new customers, corridor mix, revenue mix and seasonality. We may incur significant losses in the future for several reasons, including the other risks described herein, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, the value of our business and common stock may be adversely affected.

Our recent rapid growth, including growth in our volume of payments, may not be indicative of our future growth. Our rapid growth also makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

Our revenue was \$323.4 million and \$176.9 million, and our send volume was \$14.5 billion and \$8.4 billion, for the nine months ended September 30, 2021 and 2020, respectively. Although a large market share for remittance services remains untapped by us, we have recently experienced significant growth in our revenue and send volume. However, even if our revenue continues to increase, we expect that our growth rate will decline in the future as a result of a variety of factors, including the increasing scale of our business and the return to work as communities around the world recover from the COVID-19 pandemic. Overall growth of our revenue depends on a number of factors, including our ability to:

- maintain the rates at which customers transact on our platform;
- attract new customers;
- expand the functionality and scope of the products we offer on our platform;
- price our services competitively;
- maintain high quality, highly available products;
- maintain trust with our customers;
- maintain send volume;
- provide our customers with high-quality customer support that meets their needs;
- introduce our services in new payment corridors and markets, including maintaining existing and obtaining new money transmitter licenses;
- localize our services;
- successfully identify and acquire or invest in businesses, products, or technologies that we believe could complement or expand our platform; and
- increase awareness of our brand and successfully compete with other companies.

We may not successfully accomplish any of these objectives, which makes it difficult for us to forecast our future operating results. If the assumptions that we use to plan our business are incorrect or change in reaction to changes in our market, or if we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it may be difficult to achieve and maintain profitability. Additionally if we fail to address the risks and difficulties that we face, including those associated with the factors listed above as well as those described elsewhere in this “Risk Factors” section, our growth rate will be adversely affected. You should not rely on our revenue for any prior quarterly or annual periods as any indication of our future revenue or revenue or payment growth.

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

We expect our revenue mix to vary over time, particularly if our recently introduced products grow to represent a larger portion of our revenue. Shifts in our business mix from quarter to quarter could produce substantial variation in revenue recognized. Further, our results of operations could be affected by changes in revenue mix and costs, together with numerous other factors, including, but not limited to, fluctuations in the demand for our services, the pricing of our services and our corridor mix. Any one of these factors or the cumulative effects of certain of these factors may result in significant fluctuations in our results of operations. This variability and unpredictability could result in our failure to meet internal expectations or those of securities analysts or investors for a particular period.

Intellectual Property, Technology, Privacy and Security Risks

Cyberattacks or data security breaches could result in serious harm to our business, reputation and financial condition.

As our business continues to rapidly grow, so does the scope of risk associated with cyberattacks and data or other information security breaches. Numerous and evolving cybersecurity threats, including advanced and persisting cyberattacks, cyber extortion, spear phishing and social engineering schemes, the introduction of computer viruses or other malware, and the physical destruction of all or portions of our IT and infrastructure and those of third parties with whom we partner could compromise the confidentiality, availability, and integrity of the data in our systems. We have experienced from time to time, and may experience in the future, breaches of our systems due to human error, malfeasance, insider threats, system errors or vulnerabilities, or other irregularities.

In particular, because we rely on third-party technology providers in our business, we rely on the cybersecurity practices and policies adopted by these third parties. Our ability to monitor our third-party technology providers' cybersecurity practices is limited. Our disbursement partners and other third parties who have access to our data also may experience these types of events, and we experience additional exposure to these risks through these partners. If bad actors gain improper access to our systems or databases or those of our disbursement partners and other third parties who have access to our data, they may be able to steal, publish, delete, copy, unlawfully, or fraudulently use or modify data, including personal information. A security breach could result in monetary and other losses for us or our customers, identify theft for our customers, our inability to expand our business, additional scrutiny and restrictions and fines or penalties from regulatory or governmental authorities, loss of customers and customer confidence in our services, exposure to civil litigation, a breach of our contracts with lenders or other third parties, liquidity risks or a negative impact on our relationships with our financial services providers, including payment processors, disbursement partners, and other third parties, all which could harm our business, financial condition, and operating results. Also, our reputation could suffer irreparable harm, causing our current and prospective clients to decline to use our solutions in the future. Further, we could be forced to expend significant financial and operational resources in response to a security breach, including repairing system damage, increasing security protection costs, investigating and remediating any information security vulnerabilities, complying with data breach notification obligations, and defending against and resolving legal and regulatory claims, all of which could divert resources and the attention of our management and key personnel away from our business operations and materially and adversely affect our business, financial condition, and operating results. While we maintain insurance policies, our coverage may be insufficient to compensate us for all losses caused by security breaches, and any such security breaches may result in increased costs for such insurance. We also cannot ensure that our existing cybersecurity insurance coverage will continue to be available on acceptable terms or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation and our business, financial condition, and operating results.

In addition, the trend towards working from home and using private residential networks to access the internet, which has arisen in response to the COVID-19 pandemic and other global economic and labor market conditions, may further exacerbate risks associated with cyberattacks and data security breaches, because we cannot guarantee these private work environments have the same robust security measures deployed in our physical offices.

For additional information, see the section titled "Risk Factors—Our business is subject to the risks of earthquakes, fires, floods, public health crises, pandemics, and other natural catastrophic events, and to interruption by man-made problems such as cyber-attacks, internal or third-party system failures, political unrest, market or currency disruptions, and terrorism, which could result in system and process failures and interruptions which could harm our business."

We are subject to privacy laws across multiple jurisdictions which are highly complex, overlapping and frequently changing and create compliance challenges that may expose us to substantial costs, liabilities or loss of customer trust. Our actual or perceived failure to comply with these laws could harm our business.

The legal and regulatory environment relating to "privacy and data protection laws" (as discussed in the Final Prospectus under "Business—Regulatory Environment") continues to develop and evolve in ways we cannot predict, including with respect to technologies such as cloud computing, AI, cryptocurrency, and blockchain technology. We have internal and publicly posted policies regarding our collection, processing, use, disclosure, and security of information. Although we endeavor to comply with our policies and documentation, we may at times fail to do so or be accused of having failed to do so. The publication of our privacy policy and other documentation that provide promises and assurances about data privacy and security can subject us to potential actions if they are found to be deceptive, unfair, or otherwise misrepresent our actual practices, which could materially and adversely affect our business, financial condition and results of operations. Any failure, or perceived failure, by us to comply with our privacy or cybersecurity policies as communicated to users or with privacy and data protection laws could result in proceedings or actions against us by data protection authorities, government entities, or others. Such proceedings or actions could subject us to significant fines, penalties, judgments, and negative publicity which may require us to change our business practices, increase the costs and complexity of compliance, and materially harm our business.

In addition, compliance with inconsistent privacy and cybersecurity laws may restrict our ability to provide products and services to our customers. For additional discussion about the regulatory environment that we operate in, please see our Final Prospectus under the section titled “Business—Regulatory Environment”.

Any security or privacy breach of our system could breach our agreements with significant partners that we use to deliver our services and expose us to significant loss.

Our agreements with third parties, including without limitation those with payment processors, credit card and debit card issuers and bank partners, include mutual contractual commitments on information security and data privacy compliance. If we experience an incident that creates a breach of such contractual commitments, we could be exposed to significant liability or cancellation of service under these agreements. The damages payable to the counterparty as well as the impact to our service could be substantial and create substantial costs and loss of business. For example, if we experience any information security or data privacy breach with respect to credit card or debit card information that we store, we could be liable to the issuing banks for their cost of issuing new cards and related expenses. In addition, a significant breach could result in our being prohibited from processing transactions for any of the relevant network organizations, such as Visa or MasterCard, which would harm our business.

Any significant interruption or failure of our system availability, including failure to successfully implement upgrades or new technologies to our mobile app or website, could adversely affect our business, financial, and operating results.

The efficient and uninterrupted operation of technologies that we use to deliver our services is important for the customer experience. This includes maintaining ready customer access and acceptable load times for our services at all times. Our systems and operations and those of third-party partners have experienced and may experience in the future interruptions or degradation of service availability due to a variety of events including distributed denial-of-service and other cyberattacks, insider threats, hardware and software defects or malfunctions, human error, earthquakes, hurricanes, floods, fires, and other natural disasters, public health crises (including pandemics), power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses or other malware, or other events. To the extent we cannot effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology platform to maintain sufficient system availability, new or existing customers may seek other services and may not return to our services as often in the future, or at all. If our service is unavailable when customers attempt to access it or it does not load as quickly as they expect, customers may lose trust in our service or determine that our services are unreliable or too slow to meet their needs. This would harm our ability to attract customers and could decrease the frequency with which they use our website and mobile solutions. As a result, our business, financial results and operating results may be harmed.

In addition, our platform is currently vulnerable to downtime should a major disaster or other event affect the west coast of the United States, where our cloud services provider is based, and our physical system architecture resides. While we have backups for these systems, our platform would be unavailable for some time were our normal systems to go down. Further, some of our systems are not fully redundant, and our disaster recovery program has not been fully tested and may not be sufficient for all eventualities.

Public scrutiny of internet privacy and security issues may result in increased regulation and different industry standards, which could deter or prevent us from providing our current services to our customers, thereby harming our business.

The regulatory framework for privacy and security issues worldwide is currently in flux and is likely to remain so for the foreseeable future. Practices regarding the collection, processing, use, storage, transmission, disclosure, and security of personal information by companies operating over the internet have recently come under increased public scrutiny. Due to the amount of personal information we process and handle as a part of our business, currently applicable laws and the implementation of new laws or amendments have a substantial impact on our operations both outside and in the United States, either directly as a data controller or indirectly through our partnerships and service providers. State, federal and foreign lawmakers and regulatory authorities have increased their attention on the collection and use of consumer data. In addition, many jurisdictions in which we operate have

or are developing laws that protect the privacy and security of sensitive and personal information, including, but not limited to, the Gramm-Leach-Bliley Act (“GLBA”), the California Consumer Privacy Act of 2018 (“CCPA”), the California Privacy Rights Act of 2020 (“CPRA”), the United Kingdom’s Data Protection Act 2018 (the “Data Protection Act”), and the European General Data Protection Regulation (“GDPR”).

In addition, we rely on the standard contractual clauses (as promulgated and recently substantially revised by the European Commission) for intercompany data transfers from the European Union to the United States. As supervisory authorities continue to issue further guidance on personal data, we could suffer additional costs, complaints, or regulatory investigations or fines, and if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results. For additional discussion about the cybersecurity and privacy regulatory environment that we operate in, see the section in our Final Prospectus titled “Business—Privacy and Cybersecurity”.

The various privacy and cybersecurity laws and regulations with which we must comply are complex and evolving. Compliance with such laws and regulations require we expend significant resources, and we cannot guarantee that we will be able to successfully comply with all such privacy and cybersecurity laws and regulations, especially where they do or may in the future conflict with one another, nor can we predict the extent to which such new and evolving regulatory and legal requirements will impact our business strategies and the cost or availability of previously useful data, increase our potential liability, increase our compliance costs, require changes in business practices and policies, or otherwise adversely affect our business. Furthermore, any data breach or a failure by us to comply with the cybersecurity and privacy regulations and laws which we are subject to could result in penalties and fines, or in civil litigation against us, which could have a material adverse effect on our business, including on how we use personal data, on our financial condition, and our operating results.

We believe our policies and practices comply with applicable privacy guidelines and other applicable laws and regulations under which we are regulated. However, if our belief proves incorrect, if there are changes to the guidelines, laws, or regulations, or their interpretation, or if new regulations are enacted that are inconsistent with our current business practices, our business could be harmed. We may be required to change our business practices, services, or privacy policy, reconsider any plans to expand internationally, or obtain additional consents from our customers before collecting or using their information, among other changes. Changes like these could increase our operating costs and potentially make it more difficult for customers to use our services, resulting in less revenue or slower growth.

If we are unable to adequately protect or enforce our intellectual property rights, our business, prospects, financial condition, and operating results could be harmed.

The Remitly brand and the trademarks, service marks, trade names, copyrights, domain names, trade dress, patents and trade secrets, and other intellectual property and proprietary rights (collectively, “IP Rights”) that support that brand are important to our business. We rely on, and expect to continue to rely on, a combination of intellectual property laws, as well as confidentiality, invention assignment, and license agreements with our employees, contractors, consultants, and other third parties with whom we work, to establish and protect our brand, proprietary technology, and other IP Rights. However, effective protection of our IP Rights may not be available in every jurisdiction in which we offer our services and, where such laws are available, our efforts to protect such rights may not be sufficient or effective and such rights may be found invalid or unenforceable or narrowed in scope. If we are unable to prevent third parties from using or offering technologies or services that infringe on, misappropriate or otherwise violate our IP Rights, our business results could be adversely affected.

In addition, effective protection of our IP Rights is expensive to maintain. We have in the past and may in the future bring claims against third parties alleging infringement, misappropriation, or other violation of our IP Rights. Our efforts to enforce our IP Rights may be met with defenses, counterclaims, and countersuits attacking the ownership, scope, validity and enforceability of such rights. The outcome in any such lawsuits are unpredictable. Even if resolved in our favor, such lawsuits may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. Moreover, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our

confidential information could be compromised by disclosure during this type of litigation. Any of the foregoing or any inability to enforce or otherwise defend our IP Rights could have a material adverse effect on our competitive position, business, financial condition, and results of operations.

For example, we have registered domain names for our website that we use in our business, such as www.remitly.com. If we lose the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration, or any other cause, we may be forced to market our services under a new domain name, which could diminish our brand or cause us to incur significant expenses to purchase rights to the domain name in question. In addition, our competitors and others could attempt to capitalize on our brand recognition by using domain names similar to ours. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks.

We pursue registration of trademarks and service marks in the United States and in certain, but not all, current or potential jurisdictions outside of the United States, but doing so may not always be successful or cost-effective. We rely on common law (unregistered) trademark rights in certain jurisdictions where possible, but many countries do not recognize common law rights. Even if we apply to register our trademarks, our trademark applications may not be granted. Additionally, rights in common law trademarks are not always entitled to the same protections as registered trademarks, and are generally limited to the geographic region in which the trademark is used. We have relied on, and may in the future rely on, the well-known status of the REMITLY trademark in opposition or cancellation actions against potentially conflicting marks in jurisdictions where we do not own registrations, but we may be unable to protect our trademark and service mark rights, and third parties have in the past, and may again in the future, file or acquire trademarks and/or service marks that are similar to, infringe upon, dilute or diminish the value of our IP Rights. Opposition or cancellation proceedings may in the future be filed against our trademark and service mark applications and registrations, and our trademarks and service marks may not survive such proceedings. If third parties register or develop common law rights which adversely affect our brand or IP Rights and we are unable to successfully challenge such third-party rights, we may not be able to use our trademarks and service marks to further develop brand recognition.

We also rely on our proprietary technology and trade secrets. Despite our efforts to protect our proprietary technology and trade secrets, unauthorized parties may attempt to misappropriate, reverse engineer, independently develop, or otherwise obtain and use them. The contractual provisions that we enter into with employees, consultants, disbursement partners, vendors, and customers may not prevent unauthorized use or disclosure of our proprietary technology or trade secrets and may not provide an adequate remedy in the event of such unauthorized use or disclosure. We also cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology or that our invention assignment agreements will be effective. Moreover, policing unauthorized use of our technologies, services, and intellectual property is difficult, expensive, and time consuming, particularly in international countries where the laws and enforcement of said laws may not effectively protect our IP Rights. In addition, we may be unable to determine the extent of any unauthorized use or infringement, misappropriation, or other violation of our services, technologies, or IP Rights. Any failure to adequately protect or enforce our IP Rights, or significant costs incurred in doing so, could materially harm our business, prospects, financial condition and operating results.

We also license certain third-party intellectual property that is important to our business, including technologies, data, content and software from third parties, and in the future we may license additional valuable third-party intellectual property or technology. If we fail to comply with any of the obligations under our license agreements, we may be required to pay damages and the licensor may have the right to terminate the license, which would cause us to lose valuable rights, and could prevent us from selling our services, or inhibit our ability to commercialize current or future services.

Assertions by third parties of infringement, misappropriation, or other violations by us of their intellectual property or other proprietary rights could result in significant costs and substantially harm our business and operating results.

Intellectual property disputes are common in the payments and digital financial services industries. We may become involved in lawsuits to protect or enforce our intellectual property rights, and we may be subject to claims

by third parties that we have infringed, misappropriated or otherwise violated their intellectual property. Some companies in the digital financial services industry, including some of our competitors, own large numbers of patents, copyrights, trademarks, and trade secrets, which they may use to assert claims against us. Third parties have asserted and may in the future assert claims of infringement, misappropriation, or other violations of intellectual property rights against us. As the number of services and competitors in our market increases and overlaps occur, claims of infringement, misappropriation, and other violations of intellectual property rights may increase. Any claim of infringement, misappropriation, or other violation of intellectual property rights by a third party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management. In addition, an adverse outcome of a dispute may require us to pay substantial damages; cease making, licensing, or using solutions that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to attempt to redesign our services or otherwise to develop non-infringing technology, which may not be successful; enter into potentially unfavorable royalty or license agreements to obtain the right to use necessary technologies or intellectual property rights; and indemnify our disbursement partners and other third parties. Royalty or licensing agreements, if required or desirable, may be unavailable on terms acceptable to us, or at all, and may require significant royalty payments and other expenditures. Any of these events could harm our business, financial condition, and operating results.

Our use of open source and third-party technology could impose limitations on our ability to offer our services to customers.

We use open source software in our services and expect to continue to use open source software in the future. Some open source software licenses require those who distribute open source software as part of their own software product to publicly disclose all or part of the source code to such software product or to make available any derivative works of the open source code on unfavorable terms or at no cost, and we may be subject to such terms. Although we monitor our use of open source software to avoid subjecting our services to conditions we do not intend, such use could inadvertently occur, or could be claimed to have occurred, in part because open source license terms are often ambiguous. Additionally, we could face claims from third parties seeking to enforce the terms of the applicable open source license. In such an event, we could be required to seek licenses from third parties to continue offering our services, to make our proprietary code generally available in source code form, to re-engineer our services, or to discontinue our services if re-engineering could not be accomplished on a timely basis, any of which could harm our business, financial condition, and operating results. The terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to provide our services. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. There is little legal precedent in this area and any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of contract could harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could materially and adversely affect our business, financial condition and results of operations.

If we do not or cannot maintain the compatibility of our platform with the most popular mobile devices, desktop browsers, and tablet devices, our revenue and growth prospects may decline.

Our customers access our product offerings increasingly through mobile phones and also through the use of various other hardware devices and software programs. If any of the software providers change the features of their application programming interfaces (“APIs”), discontinue their support of such APIs, restrict our access to their APIs, or alter the terms governing their use in a manner that is adverse to our business, we will not be able to provide synchronization capabilities, which could significantly diminish the value of our platform and harm our business, operating results, and financial condition.

The functionality and popularity of our platform depends, in part, on our ability to integrate our platform with the offerings of our strategic partners. Critically, our financial institution strategic partners must be able to integrate our platform into their existing offerings. These strategic partners periodically update and change their systems, and although we have been able to adapt our platform to their evolving needs in the past, there can be no guarantee that

we will be able to do so in the future. While we have multiple API integrations and partner redundancies built into our platform, if we are unable to adapt to the needs of our strategic partners' platforms, our remittance transaction process may be interrupted or delayed, and our strategic partners may terminate their agreements with us, leading to a loss of access to large numbers of customers at the same time and consequent negative impact on our growth and customer retention.

We may not be able to enforce our intellectual property rights throughout the world.

We may be required to protect our proprietary technology in an increasing number of jurisdictions, a process that is expensive and may not be successful, or which we may not pursue in every location due to costs, complexities or other reasons. Filing, prosecuting, maintaining, defending, and enforcing intellectual property rights on our products, services, and technologies in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. Competitors may use our technologies in jurisdictions where we have not obtained intellectual property rights to develop their own products and services and, further, may export otherwise infringing, misappropriating or violating products and services to territories where we have intellectual property protection but enforcement is not as strong as that in the U.S. These products and services may compete with our products and services, and our intellectual property rights may not be effective or sufficient to prevent them from competing.

In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as U.S. laws, and many companies have encountered significant challenges in establishing and enforcing their proprietary rights outside of the United States. These challenges can be caused by the absence or inconsistency of the application of rules and methods for the establishment and enforcement of intellectual property rights outside of the United States. In addition, the legal systems of some countries, particularly developing countries, do not favor the enforcement of intellectual property protection. This could make it difficult for us to stop the infringement, misappropriation or other violation of our intellectual property rights. Accordingly, we may choose not to seek protection in certain countries, and we will not have the benefit of protection in such countries. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by U.S. courts and foreign countries may affect our ability to obtain adequate protection for our products, services and other technologies and the enforcement of intellectual property rights. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, and results of operations.

Legal and Compliance Risks

Failure to comply with sanctions laws, anti-terrorist financing laws, anti-money laundering laws, and similar laws associated with our activities outside of the United States, could subject us to penalties and other adverse consequences.

We have implemented policies and procedures designed to allow us to comply with anti-money laundering laws and economic sanctions laws and prevent our platform from being used to facilitate business in countries or with persons or entities designated on lists promulgated by OFAC and equivalent international authorities. We may utilize the services of vendors, such as screening tools, in implementing such policies and procedures. In the event that we or any of our users engage in any conduct, intentionally or not, that facilitates money laundering, terrorist financing, or other illicit activity, or that violates anti-money laundering or sanctions laws, or otherwise constitutes activity that is prohibited by such laws, including through the fault of any vendor, we may be subject to fines, penalties, lawsuits, and enforcement actions; additional compliance requirements; increased regulatory scrutiny of our business; restriction of our operations; or damage to our reputation or brand.

Law enforcement and regulators continue to scrutinize compliance with these obligations, which may require us to further revise or expand our compliance program, including the procedures that we use to verify the identity of our customers or monitor our platform for potential illegal activity. In addition, any policies and procedures that we implement to comply with sanctions laws may not be effective, including in preventing customers from using our services with sanctioned persons or jurisdictions subject to comprehensive sanctions, including Cuba, North Korea,

Syria, Iran, and the Crimea region of Ukraine. Given the technical limitations in developing controls to prevent, among other things, the ability of customers to publish on our platform false or deliberately misleading information or to develop sanctions-evasion methods, it is possible that we may inadvertently and without our knowledge provide services to individuals or entities that have been designated by OFAC or are located in a jurisdiction subject to comprehensive sanctions or an embargo by the United States, and such services may not be in compliance with the economic sanctions regulations administered by OFAC.

Consequences for failing to comply with applicable rules and regulations could include fines, criminal and civil lawsuits, forfeiture of significant assets, or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. In addition, any perceived or actual breach of compliance by us, our customers, vendors, or our payment or disbursement partners with respect to applicable laws, rules, and regulations could have a significant impact on our reputation and could cause us to lose existing customers, prevent us from obtaining new customers, cause other payment or disbursement partners to terminate or not renew their agreements with us, require us to expend significant funds to remedy problems caused by violations and to avert further violations, adversely affect our relationship with our partner banks and other commercial counterparties and expose us to legal risk and potential liability, all of which may adversely affect our business, operating results, and financial condition and may cause the price of our common stock to decline.

Use of our platform for illegal or fraudulent activities could harm our business, reputation, financial condition, and operating results.

Our platform is susceptible to illegal, improper or fraudulent uses, including money laundering, terrorist financing, sanctions evasion, bank fraud, payments involving child pornography or human trafficking, and the facilitation of other illegal, improper or fraudulent activity. The digital financial services industry is under increasing scrutiny from federal, state, and international regulators in connection with the potential for such illegal, improper or fraudulent activities. In addition, our remittance service facilitates payments to jurisdictions which may in some cases have higher levels of illegal, improper payments. For example, the United States to Colombia and United States to Nigeria payment corridors have historically been characterized by a high volume of fraudulent payments and are thus particularly high-risk. Our payment system has been utilized for illegal, improper and fraudulent uses in the past and we cannot guarantee that our policies, procedures and internal controls, or insurance, would adequately protect our business, maintain our continued ability to operate in the jurisdictions that we serve, or our reputation, especially if such illegal, improper or fraudulent activities were discovered to have taken place on our platform in the future. Our fraud loss expenses may increase if our fraud systems lose effectiveness or if new methods or schemes are developed to defraud us. Since the methods and schemes utilized by perpetrators of fraud are constantly evolving or, in some cases, not immediately detectable, we cannot assure you that our policies, procedures and controls for managing fraud will be effective over time or of our ability to update these measures to address emerging fraud risks. In addition, if illicit or fraudulent activity levels involving our services were to rise, it could lead to regulatory intervention and reputational and financial damage to us. This, in turn, could lead to government enforcement actions and investigations, a suspension or termination of our operating licenses, a reduction in the use and acceptance of our services, or an increase in our compliance costs, any of which may harm our business, financial condition, and operating results.

On the other hand, if the measures we have taken to detect illegal, improper or fraudulent activities are too restrictive and/or inadvertently prevent or delay proper transactions, this could result in suspension of legitimate customer activity on our payment system, deter new and existing customers or otherwise diminish our customer experience, any of which could harm our business.

Our platform is susceptible to fraud, and our business, reputation, financial condition and operating results could be harmed as a result.

We offer our customers the ability to fund transactions utilizing their credit card or debit card. We also offer alternative payment methods. Because these are card-not-present/online transactions, they involve a greater risk of fraud. We also release a small percentage of funded transactions for disbursement prior to our receiving funds from our customers, which exposes us to repayment risk in the event that these customers have insufficient funds in their bank account. Additionally, we carry chargeback liability for a large portion of disputed card payment transactions.

If we are unable to effectively manage our payment and fraud risks, we may be placed on fraud monitoring programs put in place by various payment scheme networks, banking partners, and our business and financial results may be harmed.

Governments and regulators have been and will continue to be pressured to adopt greater protections for consumers which could require us to change our business model and harm our financial and operating results.

Globally, governmental agencies have been under increasing pressure to implement greater protections for consumers, which could result in enhanced requirements and obligations for services providers like us. The Consumer Financial Protection Bureau (“CFPB”) and similar regulatory agencies in other jurisdictions we serve have broad consumer protection mandates that could result in the promulgation and interpretation of rules and regulations that may affect our business. The CFPB’s Remittance Rule, for example, establishes threshold requirements for all money remittances involving U.S. participants, including, among other things, disclosure requirements regarding certain transaction details, receipts, refunds within statutory periods and error resolution. If we were found to be in violation of any of these regulations, our business or reputation could be harmed and we could face penalties and enforcement action by the CFPB.

In addition, the CFPB administers other regulations and may adopt new regulations governing consumer financial services, including regulations defining unfair, deceptive, or abusive acts or practices, and new model disclosures. The CFPB’s authority to change regulations adopted in the past by other regulators, or to rescind or alter past regulatory guidance, could increase our compliance costs and litigation exposure. These regulations, changes to these regulations, and other potential changes under CFPB regulations could harm our business, financial condition, and operating results and force us to change the way we operate our business. Finally, as a larger participant in the market for international money transfers, we are subject to the CFPB’s direct supervisory and examination authority. Any weaknesses in our compliance management system or Remittance Rule program may also subject us to penalties or enforcement action by the CFPB. If the CFPB or other similar regulatory bodies adopt, or customer advocacy groups are able to generate widespread support for, positions that are detrimental to our business, then our business, financial condition, and operating results could be harmed.

Our business is subject to a variety of U.S. and international laws and regulations, many of which are unsettled and still developing, and many of which may contradict one another due to conflicting regulatory goals. Failure to comply with these laws could subject us to regulatory action, claims or otherwise harm our business.

Our service is subject to a variety of laws and regulations worldwide, primarily from our key send jurisdictions in the United States, Canada, the EEA, the United Kingdom, Australia, and Singapore. We also work with disbursement partners in various receive jurisdictions, including Nigeria and India, whom we believe are complying with local laws and regulations. We rely on such disbursement partners to conduct our business and such disbursement partners could fail or be unable to satisfy their obligations to us. This could lead to our inability to access funds and/or credit losses for us and could adversely impact our ability to conduct our business.

From time to time, additional regulatory agencies may also attempt to assert jurisdiction over our international business activities. These laws are complex, extensive, and continuously evolving and developing, including laws regarding money laundering, terrorist financing, fraud, data use and retention, theft and misappropriation, cybersecurity, privacy, anti-spam, consumer disclosure and protection, advertising and marketing, payment processing, money transmission, financial services, currency controls, and escheatment. These requirements vary from jurisdiction to jurisdiction and are subject to continued interpretation by regulatory bodies, judicial branches, and enforcement agencies in each such jurisdiction. These changes can happen quickly and with little notice and, in addition, the scope and interpretation of these laws is often uncertain and may be conflicting. We or our disbursement partners are subject to reporting, recordkeeping, and anti-money laundering provisions of the laws of each of the jurisdictions in which we do business. In the United States, for example, the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001 (the “BSA”), and its implementing regulations, subjects our business to regulatory oversight by the Financial Crimes Enforcement Network and state regulators. We have implemented an anti-money laundering compliance program, including transaction monitoring procedures, to identify and address, among other things, use of our platform by prospective or existing customers that appears to constitute money laundering or other illegal activity. The BSA, among other laws and regulatory requirements, requires businesses

such as ours to develop and implement a risk-based compliance program designed to prevent and identify money laundering schemes, report large cash transactions and suspicious activity, and maintain records, such as records about customers who use our services and other transaction records. Regulatory agencies continue to scrutinize compliance with these obligations, which may require us to revise or expand our compliance program, including the procedures we use to verify the identity of our customers or monitor international and domestic transactions. In addition, existing laws and regulatory requirements may change and become more stringent, such as requiring us to maintain records on a larger number of transactions or verify the identity of our customers in a prescriptive way, which could result in greater costs for compliance.

Similarly, in the European Union, we operate through our Irish subsidiary, which is licensed under the EU Payment Services Directive (“PSD”) Under the PSD, as amended by a revised Payment Services Directive known as PSD2, and the 4th and 5th Anti-Money Laundering Directive in the EU, our EU operating company has increasingly become directly subject to reporting, recordkeeping, and anti-money laundering regulations, agent oversight and monitoring requirements, as well as broader supervision by EU member states. Additionally, the financial penalties associated with the failure to comply with anti-money laundering laws have increased in recent regulation, including the 4th Anti-Money Laundering Directive in the EU. Legislation that has been enacted or proposed in other jurisdictions could have similar effects. These laws and other similar legislation enacted or proposed in the United States and other countries have increased and will continue to increase our costs, and in the event that we or our agents are unable to comply, could harm our business, financial condition, results of operations, and cash flows.

We are also required to comply with all economic sanctions imposed by the United States, which are overseen by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), and by those imposed in the international jurisdictions in which we operate, including the European Union and the United Kingdom. Moreover, we are also subject to the Foreign Corrupt Practices Act, (“FCPA”) in the United States and similar laws in other countries that generally prohibit companies and those acting on their behalf from making improper payments to foreign government officials for the purpose of obtaining or retaining business.

Although we maintain policies and procedures that are designed to comply with these laws, any real or perceived failure to comply with them, and any future laws and regulations, could result in fines, sanctions, penalties, litigation, enforcement orders, loss of customer confidence, or other harmful consequences, or adversely affect our relationship with our customers, partner banks and other commercial counterparties, any of which could harm our business, financial condition, and operating results. In addition, governmental agencies both in the United States and worldwide may impose new or additional rules on money transfers affecting us, our agents, partner banks or commercial counterparties, including regulations that:

- prohibit, restrict, and/or impose taxes or fees on remittance transactions in, to, or from certain countries or with certain governments, individuals, and entities;
- impose additional customer identification and customer, agent, subagent due diligence, and vendor management requirements;
- impose additional reporting or recordkeeping requirements, or require enhanced transaction monitoring;
- limit the types of entities capable of providing remittance services, impose additional licensing or registration requirements on us, our agents, or their subagents, or impose additional requirements on us with regard to selection or oversight of our agents or their subagents;
- impose minimum capital or other financial requirements on us or our agents and their subagents;
- limit or restrict the revenue which may be generated from money transfers, including transaction fees and revenue derived from foreign exchange;
- require enhanced disclosures to our customers;
- require the principal amount of money originated in a country to be invested in that country or held in a trust until they are paid;

- limit the number or principal amount of remittances, which may be sent to or from a jurisdiction, whether by an individual, through one agent, or in aggregate;
- impose more stringent information technology, cybersecurity, data, and operational security requirements on us or our agents and their subagents, including relating to data transfers and the use of cloud infrastructure;
- impose additional risk management and related governance and oversight requirements, including relating to the outsources of services to other group companies or to third parties; and
- prohibit or limit exclusive arrangements with our agents and subagents.

For example, the Central Bank of Nigeria recently imposed currency controls that limit repatriation of funds with immediate effect, which required money transmission businesses, including us, to make substantial adjustments to payments processes that serve Nigerian consumers. While we believe that we are compliant with our regulatory responsibilities, the legal, political, and business environments in these areas are routinely changing, and subsequent legislation, regulation, litigation, court rulings, or other events could expose us to increased liability, increased operating and compliance costs to implement new measures to reduce our exposure to this liability, and reputational damage. The risk of non-compliance is exacerbated when we introduce new products or services that subject us to new laws and regulations. In addition, as we expand and localize our international activities, we may become increasingly obligated to comply with the laws of the countries or markets in which we operate. In addition, because our services are accessible worldwide and we facilitate remittances to a growing number of countries, one or more jurisdictions may claim that we are required to comply with their laws. Local regulators may use their power to slow or halt payments to our customers in those jurisdictions. Such regulatory actions or the need to obtain licenses, certifications or other regulatory approvals could impose substantial costs and involve considerable delay in the provision or development of our services in a given market, or could require significant and costly operational changes or prevent us from providing any services in a given market. Additionally, external factors such as economic or political instability, or natural disasters may make money transfers to, from, within, or between particular countries difficult or impossible. These risks could negatively impact our ability to offer our services, to make payments to or receive payments from disbursement partners or to recoup funds that have been advanced to disbursement partners, and as a result could adversely affect our business, financial condition, results of operations, and cash flows. In addition, the general state of telecommunications and infrastructure in some developing countries, including countries where we have a large number of transactions, creates operational risks for us and our disbursement partners.

Governments may decide to impose restrictions or levy new taxes on money transfers or other digital financial services provided by us, which would harm our financial results and our business.

Our business could be harmed if a local, state, federal, or international government were to levy taxes on money transfers, as has been proposed in the past. Budget shortfalls in the United States and many jurisdictions could lead other states and jurisdictions to impose similar fees and taxes, as well as increase unclaimed property obligations. Such fees or taxes, and any related regulatory initiatives, may be implemented in a manner that conflicts with other laws to which we are bound or in a manner with which we are unable to comply, and noncompliance could harm our business. It is possible that governments of one or more countries may seek to censor content available on our website and mobile solutions or may even attempt to completely block access to our website or mobile solutions. Adverse legal or regulatory developments could harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries, our ability to retain or increase our customer base may be harmed and we may not be able to maintain or grow our revenue as anticipated.

We are subject to anti-corruption laws and regulations, and failure to comply with such laws could harm our business.

We are subject to the FCPA, the U.S. Travel Act, and the U.K. Bribery Act 2010, and may be subject to other anti-bribery laws in countries in which we conduct activities or have customers. We face significant risks if we cannot comply with the FCPA and other anti-corruption laws that prohibit companies and their agents and third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to

foreign government officials, political parties, or private-sector recipients for the purpose of obtaining or retaining business, directing business to any person, or securing any advantage. We have implemented an anti-corruption compliance policy, but we cannot ensure that all of our employees, customers, and agents, as well as those contractors to which we outsource certain of our business operations, will not take actions in violation of our policies or agreements and applicable law, for which we may be ultimately held responsible.

Any violation of the FCPA, other applicable anti-corruption laws, and other similar laws could result in investigations and actions by federal or state attorneys general or foreign regulators, loss of export privileges, severe criminal or civil fines and penalties or other sanctions, forfeiture of significant assets, whistleblower complaints, and adverse media coverage, which could have an adverse effect on our reputation, business, operating results, and prospects. In addition, responding to any enforcement action may result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

We are subject to regulations that limit the use of customer funds that we hold at any particular point in time and thus subject to additional regulatory requirements that could have a material adverse impact on our business, financial condition, operating results, and cash flows.

Our regulators expect us to possess sufficient financial soundness and strength to adequately support our business. Licensing requirements generally include minimum net worth requirements, provision of surety bonds, compliance with limitations on receivables from our affiliates or third parties and the maintenance of reserves in an amount equivalent to outstanding payment obligations, as defined by our various regulators. Also, our regulators specify the amount and composition of eligible assets that we or certain of our regulated subsidiaries must hold to satisfy outstanding settlement obligations. These regulators could further restrict the type of instruments that qualify as permissible investments or require our regulated subsidiaries to maintain higher levels of eligible assets. Any change or increase in these regulatory requirements could have a material adverse effect on our business, financial condition, and operating results.

Failure to comply with global and evolving marketing laws could subject us to claims or otherwise harm our business.

Our marketing practices rely upon a wide range of referral programs, exchange rate and fee-based promotions, e-mail and social media marketing and direct marketing practices, among other tactics. These marketing practices are subject to a variety of advertising and consumer protection laws and regulatory oversight both in the United States and in Canada, the EEA, the United Kingdom, Australia, Singapore and the other jurisdictions in which we do business. In the United States, some examples of applicable legislation includes the CAN-SPAM Act of 2003, the U.S. Federal Trade Commission guidelines with respect to misleading or deceptive advertising or marketing practices; the Telephone Consumer Protection Act of 1991 (the "TCPA"), state banking laws that prohibit non-banks, including licensed money transmitters, from holding themselves out as banks or providing banking services; and the California Consumer Privacy Act (the "CCPA"), and, the CPRA, which expands upon the CCPA.

These laws are continuously evolving and developing in light of technological change and regulatory objectives. These laws are overseen by regulators at the national and state level and, in some cases, carry private rights of action that may expose us to class-action and private litigation risk. We are, and, from time to time, we may become, subject to various legal proceedings and regulatory investigation matters and enforcement activities in connection with these laws and regulations. We intend to cooperate fully with such investigations. We are not presently a party to any legal or regulatory proceedings that in the opinion of our management, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, financial condition, or cash flows. We believe that our policies and practices comply with applicable marketing and consumer protection laws and regulations. However, if our belief proves incorrect, if there are changes to the guidelines, laws, regulations, or their interpretation, or if new regulations are enacted that are inconsistent with our current marketing practices or customer experience, our business could be harmed or our relationship with our partner banks and other commercial counterparties, could be adversely affected.

Use of social media, endorsers, emails, and text messages may adversely impact our reputation or subject us to fines or other penalties.

We use social media, emails, and text messages as part of our approach to marketing. As social media rules and policies, and laws and regulations rapidly evolve to govern the use of these channels, the failure by us, our employees or third parties acting at our direction to abide by applicable rules, policies, laws, and regulations in the use of these channels could adversely affect our reputation or subject us to fines, contractual damages, or other penalties. In addition, our employees or third parties acting at our direction may knowingly or inadvertently make use of social media in ways that could lead to the loss or infringement, misappropriation, or other violation of intellectual property and other proprietary rights, as well as the public disclosure of proprietary, confidential, or sensitive personal information of our business, employees, customers, or others. Any such inappropriate use of social media, emails, and text messages could also cause reputational damage.

Our customers may engage with us online through our social media platforms, including Facebook, Instagram, and Twitter, by providing feedback and public commentary about all aspects of our business. Information concerning us, whether accurate or not, may be posted on social media platforms at any time and may have a disproportionately adverse impact on our brand, reputation, or business. The harm may be immediate without affording us an opportunity for redress or correction and could have a material adverse effect on our business, operating results, financial condition, and prospects.

If our disbursement partners fail to comply with applicable laws, it could harm our business.

Our services are regulated by state, federal, and international governments. Many of our disbursement partners are banks and are heavily regulated by their home jurisdictions. Our non-bank disbursement partners are also subject to various regulations, including money transfer regulations. We require regulatory compliance as a condition to our continued relationship with our partners, perform due diligence on them, and monitor them periodically with the goal of meeting regulatory expectations. However, there are limits to the extent to which we can monitor their regulatory compliance. Any determination that our disbursement partners or the sub-disbursement partners of our aggregator disbursement partners have violated laws and regulations could damage our reputation and customer trust in our brand and services, and may ultimately lead to regulatory action against us by our regulators. It is possible that in some cases we could be liable for the failure of our disbursement partners to comply with laws or regulations or to operate with sufficient oversight over their disbursement networks, which also could harm our business, financial condition, and operating results.

In addition, foreign exchange rates could become regulated or foreign exchange purchases could become taxed by the governments in countries in which we do business, and such governments could implement new laws or regulations that affect our right to set foreign exchange spreads. Such regulations could harm our business.

From time to time, we may be subject to legal proceedings, disciplinary actions, regulatory disputes, and governmental investigations that could cause us to incur significant expenses, divert our management's attention, and materially harm our business, financial condition, and operating results.

From time to time, we may be subject to claims, lawsuits (including class actions), government investigations, disciplinary actions, administrative proceedings, arbitrations, and other proceedings involving competition and antitrust, intellectual property, privacy, cybersecurity, consumer protection, regulatory compliance, securities, tax, labor and employment, commercial disputes, money transmission, and other matters that could adversely affect our business operations and financial condition. The outcome of any legal or administrative proceeding, regardless of its merits, is inherently uncertain. Regardless of the merits, pending or future legal or administrative proceedings could result in a diversion of management's attention and resources and reputational harm, and we may be required to incur significant expenses defending against these claims or pursuing claims against third parties to protect our rights. If we do not prevail in litigation, we could incur substantial liabilities. We may also determine in certain instances that a settlement may be a more cost-effective and efficient resolution for a dispute.

Where we can make a reasonable estimate of the liability relating to pending litigation and determine that it is probable, we record a related liability. As additional information becomes available, we assess the potential liability and revise estimates as appropriate. However, because of uncertainties relating to litigation, administrative and regulatory proceedings, the amount of our estimates could be wrong as determining reserves for pending legal administrative, and regulatory proceedings is a complex, fact-intensive process that is subject to judgment calls. The

results of legal, administrative, and regulatory proceedings cannot be predicted with certainty and determining reserves for pending litigation and other legal, administrative, and regulatory matters requires significant judgment. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business. Any adverse determination related to legal, administrative, or regulatory proceedings or a settlement agreement could require us to change our technology or our business practices in costly ways, prevent us from offering certain products or services, require us to pay monetary damages, fines, or penalties, or require us to enter into royalty or licensing arrangements, and could adversely affect our operating results and cash flows, harm our reputation, or otherwise negatively impact our business.

Any future litigation against us could be costly and time-consuming to defend.

In addition to intellectual property litigation, we have in the past and may in the future become subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial disputes, employment claims made by our current or former employees, or claims for reimbursement following theft or misappropriation of customer data. Litigation might result in substantial costs and may divert management's attention and resources, which might seriously harm our business, overall financial condition, and operating results. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us. In addition, we expect the costs of insurance to increase generally over time, which may have an impact on our financial results. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our operating results and leading analysts or potential investors to reduce their expectations of our performance, which could reduce the trading price of our common stock.

Operational Risks

We are exposed to the risk of loss or insolvency if our disbursement partners fail to disburse funds according to our instructions or were to become insolvent unexpectedly or funds are disbursed before customer funds are guaranteed to be sufficient.

We are exposed to the risk of loss in the event our disbursement partners fail to disburse funds to recipients according to our instructions. Such reasons could include mistakes by our disbursement partners in processing payment instructions or failing to correctly classify and process error categories, or negligence, insolvency, or fraud by our disbursement partners. One or more of our disbursement partners could elect to temporarily withhold money from customers, which would cause delays in any transfers reaching their ultimate destination. Were such delays to occur, this would cause a loss of trust in the ability of our service to meet the timeline that we set for ourselves and provide our customers. Were customers to lose trust in our ability to deliver our services in a timely and professional manner, our business and financial results could be harmed. We are also subject to risk of loss if funds are disbursed before customer funds are guaranteed to be sufficient, which could also harm our business and financial results.

If there is any material change of service terms or loss of coverage in our payment processors and disbursement network, our business could be harmed.

Our third-party payment processors and disbursement partners are critical components of our business. We partner with payment processors in our send jurisdictions to provide clearing, processing, and settlement functions for the funding of all of our transactions. We also partner with disbursement partners in our receiving jurisdictions to disburse funds to recipients via cash pick-up or delivery, bank deposit, or mobile wallet. For payments processing, the terms of service are governed under applicable payment network rules that are determined by the processor and generally are not subject to negotiation. We may be forced to cease doing business with a payment processor if its rules and certification requirements governing electronic funds transfers change or are reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit card and debit card payments from customers or facilitate other types of online payments, and our business and operating results would be harmed.

In addition, if we are unable to renew existing agreements or sign new payment processing and disbursement partners under terms consistent with, or better than, those currently in place, our growth, revenue, and overall

business may be harmed. Our payment processors and disbursement partners could choose to terminate or not renew their agreements with us. Payment processors and disbursement partners could reduce the services provided, cease to do business with us, or cease doing business altogether. If these events occur and we are unable to secure alternative providers willing to provide services on more preferable terms, this could lead to our inability to clear our payment instruments or move funds on a global and timely basis as required to settle our obligations. This would negatively impact our revenue as well as our reputation and brand.

If our disbursement partners do not provide a positive recipient experience, our business would be harmed.

We partner with our disbursement partners to disburse funds to our customers' recipients. If the experience delivered by our disbursement partners to a recipient is deemed unsatisfactory for any reason, including because our disbursement partners are not properly trained to disburse money or deliver poor customer service, if wait times at our disbursement partners' pick up locations are too long, or if cash pick-up locations are not located in convenient and safe locations and open for business at convenient times, customers may choose to not use our services in the future and our business would be harmed. If the experience delivered by our disbursement partners to a recipient is deemed unsatisfactory for any reason, customers may choose to not use our services in the future and our business would be harmed.

Increases in various types of fees, such as interchange fees, payment scheme fees and disbursement fees, could increase our costs, affect our profitability, cause us to lose customers, or otherwise limit our operations.

Our payment processors and disbursement partners charge us fees, which may increase from time to time. Payment processors may pass through payment scheme mandated costs, such as interchange fees, and changes to these payment scheme fees, or decreases in negotiated rebates could increase our costs. Banks currently determine the fees charged for bank-originated transactions and may increase the fees with little prior notice. Our card processors have in the past and may in the future increase the fees charged for each transaction using credit cards and debit cards, which may be passed on to us. Our disbursement partners charge us disbursement fees, which they have in the past and may in the future increase. U.S. federal, state, or international governments could also mandate a payment processing or remittance tax, require additional taxes or fees to be imposed upon our customers, or otherwise impact the manner in which we provide our services. If our transaction processing fees increase, it may require us to change our disbursement options, modify payment methods or take other measures that would impact our costs and profitability or cause us to lose customers or otherwise limit our operations.

The loss of one or more key members of our management team, or our failure to attract, integrate, and retain other highly qualified personnel in the future, could harm our business.

We believe our success has depended, and continues to depend, on the efforts and talents of our employees and senior management team, including our co-founders Matthew Oppenheimer and Joshua Hug. Our future success depends on our continuing ability to attract, develop, motivate, and retain highly qualified and skilled employees who mirror the diversity and spread of our customers. Qualified individuals are in high demand, and we may be unable to find the number of technically talented employees we need to continue our growth, or we may incur significant costs, costs which we expect to increase generally, to attract and keep such employees. In addition, any future loss of any of our senior management, key employees, or key technical personnel could harm our ability to execute our business plan, and we may not be able to find adequate replacements. All of our officers and other U.S. employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We cannot ensure that we will be able to retain the services of any of our senior management or other senior employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business could be harmed.

Interruptions or delays in the services provided by critical data centers or internet service providers could impair the delivery of our platform and our business could suffer.

We host our platform using third-party cloud infrastructure services, including two facilities located on the west coast of the United States. All of our services utilize resources operated by us through third-party providers including Amazon Web Services ("AWS"), a provider of cloud infrastructure services. We do not have control over

the operations of the facilities of AWS and other third-party providers that we use. We therefore depend on our third-party cloud providers' ability to protect their data centers against damage or interruption from natural disasters, power or telecommunications failures, criminal acts, and similar events. Our operations depend on protecting the cloud infrastructure hosted by such providers by maintaining their respective configuration, architecture, and interconnection specifications, as well as the information stored in these virtual data centers and which third-party internet service providers transmit. We have from time-to-time in the past experienced service disruptions, and we cannot assure you that we will not experience interruptions or delays in our service in the future. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the data storage services we use. Although we have disaster recovery plans that utilize multiple data storage locations, any incident affecting their infrastructure that may be caused by fire, flood, severe storm, earthquake, hurricane, cybersecurity attacks, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, natural disasters, military actions, terrorist attacks, and other similar events beyond our control could negatively affect our platform, including any disruptions in light of increased usage during the COVID-19 pandemic. In the event that AWS' or any other third-party provider's systems or service abilities are hindered by any of the events discussed above, our ability to operate our platform may be impaired and data may be compromised. All of the aforementioned risks may be augmented if our or our partners' business continuity and disaster recovery plans prove to be inadequate. The facilities also could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct, all of which could lead to data theft or misappropriation. Any prolonged service disruption affecting our platform for any of the foregoing reasons could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers, or otherwise harm our business. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur.

Our platform is accessed by many customers, often at the same time. As we continue to expand the number of our customers and products available to our customers, there may be interruptions or delays in service. In addition, the failure of data centers, third-party internet service providers, or other third-party service providers to meet our capacity requirements could result in interruptions or delays in access to our platform or impede our ability to grow our business and scale our operations. If our third-party infrastructure service agreements are terminated, or there is a lapse of service, or there is interruption of internet service provider connectivity or damage to such facilities, we could experience interruptions in access to our platform as well as delays and additional expense in arranging new facilities and services.

Moreover, we are heavily reliant on the cloud services provided by AWS. AWS provides us with computing and storage capacity pursuant to an agreement that continues until terminated by either party. We may not be able to easily switch our AWS operations to another cloud or other data center provider if there are disruptions or interference with our use of or relationship with AWS, and, even if we do switch our operations, other cloud and data center providers are subject to the same risks. If AWS unexpectedly terminates our cloud services agreement, we would be forced to incur additional expenses to locate an alternative provider and may experience outages or disruptions to our service. Any service disruption affecting our platform during such migration or while operating on the AWS cloud infrastructure could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers, or otherwise harm our business.

Sustained financial market illiquidity, or illiquidity at our partner financial institutions, could harm our business, financial condition, and operating results.

We face risks in the event of a sustained deterioration of financial market liquidity, as well as in the event of sustained deterioration in the liquidity or failure of financial institutions where we deposit money, including financial institutions that hold prefunding accounts for our disbursement partners. In particular:

- We may be unable to access funds in our investment portfolio, deposit accounts, and clearing accounts on a timely basis to pay transactions and receive settlement funds. Any resulting need to access other sources of liquidity or short-term borrowing would increase our costs. Any delay or inability to pay transactions could harm our business, financial condition, and operating results;

- Our funds are held by us and our disbursement partners, which includes banks, non-bank financial institutions, and aggregators, both in the United States and abroad. During high volume sending periods, a significant portion of our available cash may be held in an account or accounts outside of the United States. Our payment processors, the commercial banks that hold our funds, our disbursement partners, and the financial institutions that hold prefunding accounts for our disbursement partners or our disbursement collateral could fail or experience sustained deterioration in liquidity. This could lead to our inability to move funds on a global and timely basis as required to pay transactions and receive settlement funds; loss of prefunded balances; or a breach in our regulatory capital requirements if we are unable to recover our funds; and
- We maintain cash at commercial banks in the United States in amounts in excess of the Federal Deposit Insurance Corporation limit of \$250,000. In the event of a failure at a commercial bank where we maintain our deposits, we may incur a loss to the extent such loss exceeds the insurance limitation.

If financial liquidity deteriorates, our ability to access capital may be harmed and we could become insolvent.

Future acquisitions, strategic investments, partnerships, collaborations, or alliances could be difficult to identify and integrate, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our operating results and financial condition.

We have in the past, and we may in the future seek to acquire or invest in businesses, products, or technologies that we believe could complement or expand our platform, enhance our technical capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not such acquisitions are completed. In addition, we have limited experience in acquiring other businesses, and we may not successfully identify desirable acquisition targets, or if we acquire additional businesses, we may not be able to integrate them effectively following the acquisition. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, as well as unfavorable accounting treatment and exposure to claims and disputes by third parties, including intellectual property claims. We also may not generate sufficient financial returns to offset the costs and expenses related to any acquisitions. In addition, if an acquired business fails to meet our expectations, our business, operating results, and financial condition may suffer.

We may also make significant investments in new products, marketing campaigns, technologies, or services developed solely by us or in conjunction with strategic partners we identify. For example, in February 2020 we launched *Passbook* in partnership with Sunrise, an app-based banking service developed by us and designed to partner with other financial institutions for money management specifically for multinational customers. We invested significant time and resources in the project. It is possible that our strategic investments may not become profitable and fail to return our initial investment, and this may have a harmful effect on our business and financial results.

Remitly Global is a holding company with no operations of its own and manages a network of local subsidiaries, each of which is subject to different local regulations. In the future, we may depend on our subsidiaries to fund our operations and expenses.

We are a holding company with subsidiaries in the United States, Canada, the United Kingdom, Ireland, Poland, Australia, Nicaragua and Singapore, all of which are directly or indirectly wholly owned. Managing the regulatory compliance activities for each of these many subsidiaries is a complicated task, and we expend significant resources in doing so. However, we cannot guarantee that we will be able to keep abreast of the changing legal and regulatory landscapes for each of the jurisdictions in which our subsidiaries exist. If any of the regulatory environments applicable to our subsidiaries change materially, and we fail to adapt to such change, our business and financial results may be harmed.

Additionally, as a holding company, we may rely on our operating subsidiaries for distributions or payments for cash flow. Therefore, our ability to fund and conduct our business, service our debt, and pay dividends, if any, in the future may depend on the ability of our subsidiaries and intermediate holding companies to make upstream cash distributions or payments to us, which may be impacted, for example, by their ability to generate sufficient cash

flow or limitations on the ability to repatriate funds, whether as a result of currency liquidity restrictions, monetary or exchange controls, regulatory restrictions, or otherwise. For example, certain of our subsidiaries are subject to minimum capital and liquidity requirements as U.S.-regulated entities and/or the jurisdictions where they do business. Such requirements may limit the ability of these regulated subsidiaries to dividend or distribute funds to Remitly Global. Our operating subsidiaries and intermediate holding companies are separate legal entities, and although they are directly or indirectly wholly owned and controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends, or otherwise. To the extent the ability of any of our subsidiaries to distribute dividends or other payments to us is limited in any way, our ability to fund and conduct our business, service our debt, and pay dividends, if any, could be harmed.

Expansion into new international markets and payment corridors will expose us to risks associated with handling of additional currencies and compliance with local regulations and law.

As our international operations increase, or more of our expenses are denominated in currencies other than the U.S. dollar, our operating results may be more greatly affected by fluctuations in local markets or the exchange rates of the currencies in which we do business.

There are significant costs and risks inherent in conducting business in international markets, including:

- establishing and maintaining effective controls at international locations and the associated costs;
- increased competition from local providers;
- compliance with international laws and regulations, including data privacy frameworks similar to the GDPR;
- adapting to doing business in other languages or cultures;
- compliance with local tax regimes, including potential double taxation of our international earnings, and potentially adverse tax consequences due to U.S. and international tax laws as they relate to our international operations;
- compliance with anti-bribery laws, such as the FCPA and the U.K. Bribery Act;
- currency exchange rate fluctuations and related effects on our operating results;
- economic and political instability in some countries;
- the uncertainty of protection for intellectual property and other proprietary rights in some countries and practical difficulties of obtaining, maintaining, protecting, and enforcing rights abroad; and
- other costs of doing business internationally.

As we expand into more international markets, we are faced with greater complexities around having to comply with various sets of local regulations, policies and laws, which could change in ways that are adverse to our business. In particular, central banks or other regulatory agencies or institutions in the countries we operate could enact policies that may negatively affect our business, and we may incur increased costs and resources to deal with such unfavorable laws and policies.

These factors and other factors could harm our international operations and, consequently, materially impact our business, operating results, and financial condition.

Further, we may incur significant operating expenses as a result of our international expansion, and it may not be successful. We have limited experience with regulatory environments and market practices internationally, and we may not be able to penetrate or successfully operate in new markets. We also have more limited brand recognition in certain parts of the world, leading to delayed acceptance of our platform by international customers. If we cannot continue to expand internationally and manage the complexity of our global operations successfully, our financial condition and operating results could be adversely affected.

A substantial amount of our revenue is derived from remittances to India, the Philippines and Mexico and our business could be significantly affected by any adverse changes in these regions.

Historically, our revenue has been substantially derived from remittances to India, the Philippines and Mexico. Remittances sent to these three countries represented approximately 75% of our revenue in the year ended December 31, 2020 and approximately 70% of our revenue in the nine months ended September 30, 2021. Because these countries account for a substantial portion of our revenue, our business is exposed to adverse regulatory and competitive changes, economic conditions and changes in political conditions in each of these countries. Moreover, due to the concentration of our revenue in these geographies, our business is less diversified and, accordingly, is subject to greater regional risks than some of our competitors.

Financial Risks

We have identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our consolidated financial statements. If we fail to remediate any material weaknesses or otherwise fail to establish and maintain effective internal control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected.

In connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2020, two material weaknesses in our internal control over financial reporting were identified. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. The material weaknesses are as follows:

- We did not design and maintain effective controls over certain IT, general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain: (1) program change management controls for certain financial systems to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately; and (2) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to certain financial systems, programs, and data to appropriate Company personnel.

This material weakness contributed to the following material weakness:

- We did not design and maintain effective controls over segregation of duties of journal entries. More specifically, certain personnel had the ability to prepare and post journal entries without an independent review performed by someone without this ability.

These material weaknesses did not result in a misstatement to our annual consolidated financial statements as of and for the year ended December 31, 2020. However, each of the material weaknesses described above, individually and aggregated could impact the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

As of September 30, 2021, these remain material weaknesses and we are in the process of remediating these material weaknesses. In order to remediate these material weaknesses, we have taken and plan to take the following actions: (1) developing enhanced risk assessment procedures and monitoring controls related to changes in financial systems; (2) implementing comprehensive access control protocols to implement restrictions on user and privileged access to the affected applications; (3) implementing controls to review and monitor user access; and (4) establishing additional controls over the preparation and review of journal entries. While we are undertaking efforts to remediate these material weaknesses, the material weaknesses will not be considered remediated until our remediation plan has been fully implemented, the applicable controls operate for a sufficient period of time, and we have concluded through testing, that the newly implemented and enhanced controls are designed and operating effectively. We are

working to remediate the material weaknesses as efficiently and effectively as possible but expect that full remediation could potentially go beyond December 31, 2021. At this time, we cannot provide an estimate of costs expected to be incurred in connection with implementing this remediation plan; however, these remediation measures will be time consuming, incur significant costs, and place significant demands on our financial and operational resources.

We cannot assure you that the measures that we have taken, and that will be taken, to remediate these material weaknesses will, in fact, remedy the material weaknesses or will be sufficient to prevent future material weaknesses from occurring. We also cannot assure you that we have identified all of our existing material weaknesses. If we fail to remediate any material weaknesses or otherwise fail to establish and maintain effective internal controls, our ability to accurately and timely report our financial results could be adversely affected and may result in a restatement of our annual or interim financial statements.

We have built proprietary financial systems as part of our technology platform. Such systems could become unstable as we grow, bugs could be introduced, and nonperformance, system interruptions and undetected errors could adversely affect our business and financial results.

Our proprietary financial systems are an integral part of our technology platform, which is a complex system composed of many interoperating components and which incorporates other third-party software that is highly complex. Our business is dependent upon our ability to prevent system interruption on our proprietary financial systems. Our software may now, or in the future, contain undetected errors, bugs, or vulnerabilities. Some errors in our software code may only be discovered after the code has been released. Bugs in our software, misconfigurations of our systems, and unintended interactions between systems could result in our failure to comply with certain domestic and international regulatory financial reporting obligations, or could cause downtime that would impact the timeliness of meeting these regulatory reporting requirements. We have from time to time found defects or errors in our system and may discover additional defects in the future that could result in financial information unavailability or system disruption. In addition, we have experienced outages on our proprietary financial systems due to circumstances within our control, such as outages due to software limitations. If sustained or repeated, any of these outages could impact the accuracy and completeness of our financial information over several reporting periods. In addition, our release of new software may in the future cause interruptions in the availability of our financial information. Any errors, bugs, or vulnerabilities discovered in our code or systems after release could result in an interruption in the availability of our financial information, and could result in inaccurate and incomplete financial information which could adversely affect our business and financial results.

If one or more of our counterparties, including financial institutions, aggregators, and local cash pick-up institutions where we have cash on deposit, or our lenders and potential hedging counterparties, default on their financial or performance obligations to us or fail, we may incur significant losses.

We have significant amounts of cash, cash equivalents and receivables outstanding on deposit or in accounts with banks or other counterparties in the United States and international jurisdictions. While we do not currently enter into derivative financial instrument transactions as part of currency hedging activities, we may in the future enter into such transactions with various financial institutions. Certain banks and financial institutions are also lenders under our credit facilities. We may be exposed to the risk of default by, or deteriorating operating results or financial condition or failure of, these counterparties. If one of our counterparties were to become insolvent or file for bankruptcy, our ability to recover losses incurred as a result of default or to access or recover our assets that are deposited, held in accounts with, or otherwise due from, such counterparty may be limited by the counterparty's liquidity or the applicable laws governing the insolvency or bankruptcy proceedings. In the event of default or failure of one or more of our counterparties, we could incur significant losses, which could negatively impact our operating results and financial condition.

Fluctuations in currency exchange rates could harm our operating results and financial condition.

Our revenue is derived primarily by the transference of currency between countries for our customer base and is thus reliant on the exchange rates of various currencies relative to one another, including the U.S. dollar. We have seen increased money transfer volume if the U.S. dollar strengthens against certain currencies, especially the Indian

rupee, the Philippine peso or the Mexican peso. Conversely, we have seen decreased money transfer volume if the U.S. dollar weakens against those currencies. We are also exposed to risks relating to fluctuations in currency exchange rates between the date on which a customer initiates a cross-border remittance payment and the date that the remittance recipient receive the funds through our disbursement partners because the foreign exchange rate quoted to the customer is not adjusted for changes between the initiation date and the settlement date. Additionally, with respect to our revenue which is denominated in currencies other than the U.S. dollar, we may be adversely affected if such currencies weakened against the U.S. dollar because it would result in lower levels of reported revenue on our U.S. dollar denominated financial statements.

Macroeconomics factors, including inflation, that weaken the U.S. dollar could harm our operating results and financial condition. Additionally, while the majority of our revenue and expenses are denominated in the U.S. dollar, certain of our international operations are conducted in foreign currencies, a significant portion of which occur in the currencies of Canada, the United Kingdom, Australia and the Philippines. Changes in the relative value of the U.S. dollar to other currencies may negatively affect revenue and other operating results as expressed in U.S. dollars. Our financial results are also subject to changes in exchange rates that impact the settlement of transactions in non-local currencies. As a result, it could be more difficult to detect underlying trends in our business and operating results. To the extent that fluctuations in currency exchange rates cause our operating results to differ from expectations of investors, the market price of our common stock could be adversely impacted. To date, we have not engaged in currency hedging activities to limit the risk of exchange rate fluctuations; however, to limit our risk exposure associated with exchange rate fluctuations we may choose to engage in currency hedging activities in the future. Even if we use derivative instruments to hedge exposure to fluctuations in foreign currency exchange rates, the use of such hedging activities may not offset the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place, and may introduce additional risks if we are unable to structure effective hedges with such instruments.

We expect fluctuations in our financial results, making it difficult to project future results, and if we fail to meet the expectations of securities analysts or investors with respect to our operating results, our stock price and the value of your investment could decline.

Our operating results have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are outside of our control. As a result, our past results may not be indicative of our future performance. In addition to the other risks described herein, factors that may affect our operating results include the following:

- fluctuations in demand for our services or pricing of our fees associated with our services;
- our ability to attract new customers;
- our ability to retain and grow engagement with our existing customers;
- our ability to expand our relationships with our marketing, payment processing, disbursement, and banking partners, or identify and attract new strategic partners;
- customer growth rates and the revenue derived from and quantity of existing customers retained;
- changes in customer preference for mobile-first services as a result of security breaches in the industry or privacy concerns, or other security or reliability concerns regarding our services;
- changes in customers' budgets and in the timing of their budget cycles and money transfer decisions;
- potential and existing strategic partners choosing our competitors' products or developing their own solutions in-house;
- the development or introduction of new platforms or services by our competitors that are easier to use or more advanced than our current suite of services, especially in respect of the application of AI-based services;
- our failure to adapt to new forms of payment that become widely accepted, including cryptocurrency;

- security breaches of, technical difficulties with, or interruptions to, the delivery and use of our platform which may result in data theft and/or misappropriation;
- the adoption or retention of more entrenched or rival services in the international markets where we compete;
- our ability to control costs, including our operating expenses;
- the amount and timing of payment for operating expenses, particularly technology and development and sales and marketing expenses;
- the amount and timing of non-cash expenses, including stock-based compensation expense, depreciation and amortization, and other non-cash charges;
- the amount and timing of costs associated with recruiting, training, and integrating new employees and retaining and motivating existing employees;
- fluctuation in market interest rates, which impacts interest earned on funds held for customers;
- fluctuation in currency exchange rates;
- the effects of acquisitions and their integration;
- general economic conditions, both domestically and internationally, as well as economic conditions specifically affecting industries in which our customers participate;
- the impact of new accounting pronouncements;
- changes in the competitive dynamics of our market; and
- awareness of our brand and our reputation in our target markets.

Any of these and other factors, or the cumulative effect of some of these factors, may cause our operating results to vary significantly. In addition, we expect to incur significant additional expenses due to the increased costs of operating as a public company. If our quarterly operating results fall below the expectations of investors and securities analysts who follow our stock, the price of our common stock could decline substantially, and we could face costly lawsuits, including securities class action suits.

Our cash flows may be significantly affected by the day of the week on which a quarter ends. As a result, you should not rely on quarter-to-quarter comparisons of our cash flows.

Our cash flows may be affected by the day of the week on which each quarter ends which may affect our quarterly operating results. There can be a delay between when we release funds for disbursement and when we receive customer funds from our payment processors. For example, if a quarter closes on a Saturday, our cash flow statements will show a decreased cash balance because we will have wired out funds on Friday which will be available for disbursement on Saturday, Sunday and Monday but we may not receive customer funds from our payment processors until Monday. In addition, due to time zone differences, an additional day's worth of funding is required for disbursements to certain markets. As a result, period-to-period comparisons of our statements of cash flows may not be meaningful, and you should not rely on them as an indication of our liquidity or capital resources.

Inaccurate forecasts of our customer growth and retention could result in higher operating expenses relative to actual revenue and ultimately harm our business.

Our customer growth forecast is a key driver in our business plan which affects our ability to accurately forecast revenue and expenses. In addition, we plan a portion of our operating expenses, specifically related to our marketing expenses and customer service and operations headcount needs, in part on our forecasts of customer growth, retention, and future revenue. Seasonality and foreign exchange rate movements create volatility to these assessments which may adversely impact their accuracy. We also analyze revenue contributions from customer

cohorts acquired during a particular year ended December 31 and revenue associated with those cohorts for each year thereafter. While we believe these cohorts are fair representations of our overall customer base, there is no assurance that they will be representative of any future group of customers or periods. Revenue for a particular customer cohort may fluctuate from one period to another depending on, among other factors, our ability to retain and increase revenue from our customers within a given cohort and changes to the products and services we offer to our customers. If we overestimate customer growth or retention and customer spend rates, our revenue will not grow as we forecast, our operating expenses may be too high relative to actual revenue levels our business, financial condition and operating results may be harmed.

If the revenue generated by new customers differs significantly from our expectations, or if our CAC or costs associated with servicing our customers increase, we may not be able to recover our CAC or generate profits from this investment.

We invest significant resources in marketing with the aim to acquire new customers and expect to continue to spend significant amounts to acquire additional customers, primarily through online advertising, marketing promotions, and television advertising. When making decisions regarding investments in customer acquisition, we analyze the transactional profit we have historically generated per customer over the expected lifetime value of the customer. Our analysis of the transactional profit that we expect a new customer to generate over his or her lifetime depends upon several estimates and assumptions, including whether a customer will send a second transaction, whether a customer will send multiple transactions in a month, the amount of money that a customer sends in a transaction and the predictability of a customer's sending pattern. The accuracy of our predictions with respect to transactional profits may be subject to greater variance in corridors in which we presently have low penetration rates than in our more established corridors.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations which could harm our operating and financial results.

Our net operating losses ("NOLs") could expire unused and be unavailable to offset future income tax liabilities because of their limited duration or because of restrictions under U.S. or international tax law. NOLs generated in taxable years beginning before January 1, 2018 are permitted to be carried forward for only 20 taxable years under applicable U.S. federal income tax law. Under the 2017 Tax Cuts and Jobs Act (the "Tax Act"), as modified by the CARES Act, NOLs arising in taxable years beginning after December 31, 2017, and before January 1, 2021 may be carried back to each of the five taxable years preceding the taxable year of such loss, and NOLs arising in taxable years beginning after December 31, 2020 may not be carried back. Moreover, under the Tax Act as modified by the CARES Act, NOLs generated in taxable years beginning after December 31, 2017 may be carried forward indefinitely, but the deductibility of such NOLs generally will be limited in taxable years beginning after December 31, 2020 to 80% of current year taxable income. The extent to which state income tax law will conform to the Tax Act and CARES Act is uncertain. For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheets, even if we attain profitability, which could potentially result in increased future tax liability to us and could adversely affect our operating and financial results.

Changes and evolving requirements in tax laws or their interpretation, including as applied to us and our customers, could adversely affect our business.

As a multinational organization, operating in multiple jurisdictions we may be subject to increasingly complex tax laws and taxation in several jurisdictions, the application of which can be uncertain. The amount of taxes we are required to pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws, or revised interpretations of existing tax laws, potential disputes around transfer prices implemented and precedents, which could have a material adverse effect on our business. Such material adverse effect may include the value of any tax loss carryforwards, tax credits recorded on our balance sheet, the amount of our cash flow, our liquidity, financial condition and results of operations.

Many of the jurisdictions in which we conduct business have detailed transfer pricing rules or may comply with the Organization for Economic Cooperation and Development (the "OECD") guidelines, which require contemporaneous documentation establishing that all transactions with non-resident related parties be priced using

arm's length pricing principles. Tax authorities in these jurisdictions could challenge our related party transfer pricing policies and, consequently, the tax treatment of corresponding expenses and income. If any tax authority were to be successful in challenging our transfer pricing policies, we may be liable for additional corporate income tax, withholding tax, indirect tax and penalties and interest related thereto, which may have a significant impact on our results of operations and financial condition.

We are subject to regular review and audit by the relevant tax authorities in the jurisdictions we operate and as a result, the authorities in these jurisdictions could review our tax returns and impose additional significant taxes, interest and penalties, challenge the transfer pricing policies adopted by us, claim that our operation constitutes a taxable presence in different jurisdiction and/or that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could materially affect our income tax provision, net income, or cash flows in the period or periods for which such determination is made.

In addition, tax benefits we currently receive in certain jurisdictions require us to meet several conditions and may be challenged or terminated or reduced in the future, which would increase our taxes, possibly with a retroactive effect.

In addition, the failure by our customers to comply with reporting obligations in connection with transactions on our platform could result in regulatory inquiry, reputational damage and potential enforcement actions and additional reporting and withholding requirements.

We may not be able to secure additional financing in a timely manner, on satisfactory terms, or at all, to meet our future capital needs, which could impair our ability to execute on our business plan.

We believe that our existing cash, cash equivalents, short-term investments, available borrowing under our New Revolving Credit Facility, and expected cash flow from operations will be sufficient to meet our operating and capital requirements for at least the next 12 months. However, since inception through September 30, 2021 and December 31, 2020, the Company has incurred losses from operations, negative cash flows from operations, and had an accumulated deficit of \$242.9 million and of \$220.7 million, respectively, and has been dependent on equity and debt financing to fund operations. As such, we may require additional capital to respond to business opportunities (including increasing the number of customers acquired or acquisitions), capital needed during high volume sending periods, new capital requirements introduced or required by our regulators and payment processors, challenges, or unforeseen circumstances and may determine to engage in equity or debt financings for other reasons.

We have a \$250.0 million revolving credit facility with certain lenders and JPMorgan Chase Bank, N.A. acting as administrative agent and collateral agent. We may incur additional indebtedness in the future. We expect to rely on the New Revolving Credit Facility to finance a substantial portion of the capital requirements and obligations we are subject to in connection with our remittance business. Additionally, if the interest rate on our line of credit or any alternative financing were to increase, our operating results could be harmed, particularly because we rely on drawings under our line of credit to satisfy regulatory compliance requirements with respect to maintaining sufficient capital. The credit agreement governing our New Revolving Credit Facility contains conditions to borrowing and covenants; any failure to satisfy these conditions to borrowing or covenants could result in us being unable to borrow additional amounts under the New Revolving Credit Facility or having to repay outstanding amounts. If we were unable to refinance the New Revolving Credit Facility or enter into an alternative facility on similar terms, we may be unable to meet regulatory compliance requirements with respect to maintaining sufficient capital. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to secure additional debt or equity financing in a timely manner, or at all, which could require us to scale back our business plans and operations.

Failure to maintain sufficient capital could harm our business, financial condition, and operating results.

We have significant working capital requirements driven by:

- the delay between when we release funds for disbursement and when we receive customer funds from our payment processors, which can be exacerbated by time zone differences, bank holidays, national or governmental holidays, and weekends;
- regulatory capital requirements pertaining to net worth;
- regulatory requirements pertaining to permissible investments and safeguarding of customer funds;
- requirements contained in the credit agreement governing our New Revolving Credit Facility;
- collateral requirements imposed on us by our payment processors; and
- collateral requirements imposed on us by our disbursement partners.

This requires us to have access to significant amounts of capital, particularly at high volume sending times, which we may not be able to forecast accurately. Our need to access capital will increase as our number of customers, transactions processed, and total sending volume increases.

Increases in our send volume processed, even if short-term in nature, can cause increases in our capital requirements. Our ability to meet our capital requirements could be affected by various factors, including any inability to collect funds from customers, inability to maintain fraud losses at acceptable rates, or incurring unanticipated losses. If we do not have sufficient capital and are unable to access or raise additional capital, we may not be able to pursue our growth strategy, fund key strategic initiatives, such as geographic expansion or product development efforts, or continue to transfer money to recipients before funds are actually received from our customers.

In addition, we may not be able to meet new capital requirements introduced or required by our regulators and payment processors. We currently have the New Revolving Credit Facility to mitigate capital fluctuations, but there can be no assurance that the New Revolving Credit Facility will be sufficient or renewed at favorable rates or that we will have access to additional capital as needed, or at all.

New tax treatment of companies engaged in online money transfer may harm the commercial use of our services and our financial results.

Due to the global nature of the internet, it is possible that various states or foreign countries might attempt to regulate our transactions or levy sales, income, or other taxes relating to our activities. Tax authorities at the international, federal, state, and local levels are currently reviewing the appropriate treatment of companies engaged in internet commerce in general and remittances in particular. New or revised international, federal, state, or local tax regulations may subject us or our customers to additional sales, income, and other taxes. We cannot predict the effect of current attempts to impose sales, income, or other taxes on commerce over the internet. New or revised taxes would likely increase the cost of doing business online and decrease the attractiveness of using our mobile services. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could harm our business and operating results.

Our reported financial results may be materially and adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States (“GAAP”), are subject to interpretation by the Financial Accounting Standards Board, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our operating results could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We

base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “Management’s Discussion and Analysis of Financial Condition and Operating Results—Critical Accounting Policies and Estimates.” The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant estimates and judgments involve the identification of performance obligations in revenue recognition, the valuation of the stock-based awards, including the determination of fair value of our common stock, among others. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our common stock.

We track certain business metrics with internal tools and do not independently verify such metrics. Certain of our business metrics may not accurately reflect certain details of our business, are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We track certain business metrics, including active customers, send volume and Adjusted EBITDA, which are not independently verified by any third party and are not measured according to GAAP. Our internal tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we report. If the internal tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. In addition, limitations or errors with respect to how we measure data (or the data that we measure) may affect our understanding of certain details of our business, which could affect our longer-term strategies. If our business metrics are not accurate representations of our business, customer base, or traffic levels; if we discover material inaccuracies in our metrics; or if the metrics we rely on to track our performance do not provide an accurate measurement of our business, our reputation may be harmed, we may be subject to legal or regulatory actions, and our operating and financial results could be adversely affected. In addition, from time to time we may change the business metrics that we track, including metrics that we report, and any new business metrics will also be subject to the foregoing limitations and risks.

General Risks

Our customers and business operations are exposed to macroeconomic conditions and geopolitical forces in developing regions and regions that account for a significant amount of our send volume, which exposes us to risk of loss.

The majority of our total revenue is currently derived from remittances being sent from the United States, Canada, the EEA, the United Kingdom, Australia and Singapore to India, the Philippines, and Mexico and other locations in Latin America, Africa and Asia. In particular, a substantial portion of our send volume is derived from remittances being sent to India, the Philippines and Mexico. As a result, any macroeconomic or geopolitical trends that disrupt these regions or alter their immigration patterns, economic conditions or cultural norms could have an impact on the demand for our services or our ability to provide such services. Any economic or political instability, civil unrest, natural disasters, public health crises, or other similar circumstances affecting these regions could have a disproportionately harmful impact on our business, financial position, and operating results.

Global trade policy or international relations between larger developed countries could also impact the market for our services or our ability to serve those markets effectively. For example, Chinese technologies are critical components of many of our disbursement partners, payment processors, and overall distribution network. If there were a disruption of trade relations between the United States and China, we, and our disbursements partners that rely on these technologies could lose access to these critical Chinese technologies, which would disrupt our business and could have a material adverse effect on our operations. In addition, the Chinese government could take action that would create significant competitive advantage to Chinese companies and create obstacles for us.

Changes in U.S. immigration laws or changes in the emigration laws of other jurisdictions that discourage international migration, and political or other events, such as war, terrorism, or public health crises, that make it

more difficult for individuals to immigrate to, or work in, the United States or other countries, could adversely affect our gross send volume or growth rate. Sustained weakness in the United States or global economic conditions could reduce economic opportunities for immigrant workers and result in reduced or disrupted international migration patterns. Reduced or disrupted international migration patterns are likely to reduce money transfer volumes and harm our operating results.

Our business is subject to the risks of earthquakes, fires, floods, public health crises, pandemics, and other natural catastrophic events, and to interruption by man-made problems such as cyber-attacks, internal or third-party system failures, political unrest, market or currency disruptions, and terrorism, which could result in system and process failures and interruptions which could harm our business.

Our corporate headquarters is located in Seattle, Washington and our cloud services providers and data centers are also largely located in the western United States. The west coast of the United States contains active earthquake zones. Although our systems have been designed around industry-standard architectures to reduce downtime in the event of outages or catastrophic occurrences, they remain vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, public health crises, cyber-attacks, computer viruses, computer denial-of-service attacks, human error, hardware or software defects or malfunctions (including defects or malfunctions of components of our systems that are supplied by third-party service providers), and similar events or disruptions. As we rely heavily on our servers, computer and communications systems, and the internet to conduct our business and provide high-quality customer service, disruptions in these systems could harm our ability to operate our business, impede our employees' ability to conduct business activities whether at our facilities or from a remote location, and cause lengthy delays, which could harm our business, financial condition, and operating results. An outage at any one facility could result in our system being unavailable for a significant period of time. We have disaster recovery programs in place, but these may also fail, prolonging the period of time during which our system and products may not be available.

Additionally, some of the countries to which our disbursement partners deliver the funds we transfer regularly experience serious political unrest or upheaval. Such political unrest may lead to temporary or long-term disruptions to our disbursement network in the affected countries. If such disruption were ongoing, our customers may look to other methods of transferring funds, or we may be unable to resume our services in such countries, and our business and financial results may be harmed.

Cybersecurity attacks continue to increase, evolve in nature, and become more sophisticated, and providers of digital products and services have been and are expected to continue to be targeted. As computer malware, viruses, computer hacking, fraudulent use attempts, phishing attacks, ransomware, and other data security incidents have become more commonplace, we face increased risk from these activities to maintain the performance, reliability, security, and availability of our solutions and related services and technical infrastructure to the satisfaction of our customers. Threats to our computer systems and those of our third-party technology providers or clients may result from human error, fraud, or malice on the part of employees or third parties, including state-sponsored organizations with significant financial and technological resources, or from accidental technological failure. Any such computer malware, viruses, computer hacking, fraudulent use attempts, phishing attacks, ransomware, or other data security breaches to our network infrastructure or IT systems or to computer hardware we lease from third parties, could, among other things, harm our reputation and our ability to retain existing customers and attract new customers. The insurance we maintain may be insufficient to cover our losses resulting from disasters, cyber-attacks, or other business interruptions, and any incidents may result in loss of, or increased costs of, such insurance.

For additional information regarding risks associated with cyber-attacks, see the section titled "Risk Factors—Cyberattacks or data security breaches could result in serious harm to our business, reputation and financial condition."

While the digital financial services industry and our business has seen accelerated growth as a result of the COVID-19 pandemic, it has also adversely affected some aspects of our business and could have an adverse effect on our business in the future.

As a result of the COVID-19 pandemic, our business, and the digital financial services industry in general, has seen accelerated growth, but we have also experienced disruptions, such as the impact on the ability of our customer support and operations teams, both internal and third-party, to service customer needs quickly due to longer wait times and the impact on our ability to hire personnel quickly, that could severely impact our business, our services, global currency exchange rates, local and global labor markets, and the global economy.

The COVID-19 pandemic has created and is likely to continue to create significant uncertainty in global financial markets. To date, with travel restrictions and shelter-in-place policies in some jurisdictions, the demand for digital remittances has increased, and this has driven a significant acceleration in our new customer growth. As the pandemic continues, we may experience volatility in customer demand and delayed customer money transfer decisions, which could materially harm our business, operating results, and overall financial performance.

While we have experienced accelerated growth partially driven by the COVID-19 pandemic, the long-term impact of a volatile or worsening COVID-19 pandemic is impossible to predict and may adversely impact the purchasing and money transfer habits of our customers and the operations of our business partners in the future, and may adversely impact our operating results as a result. Cross-border and domestic commerce may be adversely impacted by measures taken by government authorities and businesses globally to contain and limit the pandemic, including travel restrictions, border closures, quarantines, shelter in place and lockdown orders, mask and social distancing requirements, and business limitations and shutdowns. In addition, while we have rapidly expanded our business and improved our operating results during the COVID-19 pandemic, many of our customers, who are primarily immigrants, have also suffered negative financial consequences, including wage and job loss, and have thus had less need for our services. There is no guarantee that those customers who have had less need of our service during the COVID-19 pandemic will return to our platform in the future. To the extent that mitigation measures remain in place or are reinstated for significant periods of time, they may adversely affect our business, financial condition, and operating results. In addition, actions that we have taken or may take in the future intended to assist customers impacted by the COVID-19 pandemic may negatively impact our operating results. In particular, we have experienced and may continue to experience adverse financial impacts from a number of operational factors, including, but not limited to:

- Increased cybersecurity and payment fraud risk related to the COVID-19 pandemic, as cybercriminals attempt to profit from stolen or misappropriated data and the disruption in light of increased online banking, e-commerce, and other online activity;
- Challenges to the availability and reliability of our services resulting from changes to our normal operations, including due to one or more clusters of COVID-19 cases occurring at our (or our service providers') sites or mandatory local lock-down requirements, which have impacted, and may continue to impact our employees, our level of customer service, and/or the systems or employees of our customers and business partners; and
- Increased volume of customer requests for support and regulatory requests for information and support or additional regulatory requirements, which could require additional resources and costs to address.

These and other factors arising from the COVID-19 pandemic could worsen in countries that have been or are in the future afflicted with COVID-19, each of which could further adversely impact the use of our services by our customers, the ability of our employees to perform work, and our business generally, and could have a material adverse impact on our operating and financial results.

The significant increase in the number of our employees who are working remotely as a result of the pandemic could introduce operational risk, increase cybersecurity risk, strain our business continuity plans, negatively impact productivity, give rise to claims by employees, or otherwise adversely affect our business. Additionally, we may require new or modified processes, procedures, and controls to respond to changes in our business environment. We may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, and business partners. There is no certainty that such measures will be sufficient to mitigate the risks posed by COVID-19 or will otherwise be satisfactory to government authorities.

The COVID-19 pandemic continues to rapidly evolve. The extent to which the pandemic continues to affect our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence. Such developments include the ultimate geographic spread of COVID-19, the distribution and long-term efficacy of vaccines, the effects of more contagious and virulent variants of COVID-19, the duration of the pandemic, travel restrictions and actions taken to contain the pandemic or treat its impact, such as social distancing and quarantines or lock-downs, business closures or business disruptions, and the effectiveness of actions taken to contain and treat the disease. To the extent the COVID-19 pandemic continues to adversely affect our business and financial results, it is likely to also have the effect of heightening many of the other risks described in this “Risk Factors” section.

Anti-takeover provisions in our charter documents and under Delaware or other state law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, and affect the market price of our common stock.

Provisions in our amended and restated certificate of incorporation and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and restated bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our common stock;
- require that any action to be taken by our stockholders be affected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of our board of directors, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed for cause only upon the vote of sixty-six and two-thirds percent (66 2/3%) of our outstanding shares of common stock;
- provide that vacancies on our board of directors may be filled only by a majority vote of directors then in office, even though less than a quorum; and
- require the approval of our board of directors or the holders of at least sixty-six and two-thirds percent (66 2/3%) of our outstanding shares of common stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibit a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder. Furthermore, while state statutes governing our money transmitter licenses vary, most require investors to receive the approval of, or provide notice to, the relevant licensing authority before exceeding a certain ownership threshold (as low as 10%), including indirect ownership, in a licensed money transmitter. Accordingly, current or prospective investors seeking to acquire 10% or greater ownership of us in the aggregate would need to first obtain such regulatory approvals and provide such notices to the relevant regulators. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of

our common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our common stock in an acquisition.

We are an “emerging growth company,” and we cannot be certain if the reduced reporting and disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act (“Section 404”), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to use the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our common stock less attractive to investors. In addition, if we cease to be an emerging growth company, we will no longer be able to use the extended transition period for complying with new or revised accounting standards.

We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year following the fifth anniversary of our IPO, (2) the last day of the first fiscal year in which our annual gross revenue is \$1.07 billion or more, (3) the date on which we have, during the previous rolling three-year period, issued more than \$1 billion in non-convertible debt securities, or (4) the last day of the fiscal year in which the market value of our common stock held by non-affiliates exceeds \$700 million as of June 30th, our second fiscal quarter, of such fiscal year.

We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. For example, if we do not adopt a new or revised accounting standard, our future operating results may not be as comparable to the operating results of certain other companies in our industry that adopted such standards. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile.

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

As a public company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Global Select Market, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the specific timing of such costs.

Our management team has limited experience managing a public company.

Our management team has limited experience managing a publicly traded company, interacting with public company investors and securities analysts, and complying with the increasingly complex laws pertaining to public companies. These new obligations and constituents require significant attention from our management team and could divert their attention away from the day-to-day management of our business, which could harm our business, operating results, and financial condition.

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

We do not intend to pay any cash dividends in the foreseeable future. In addition, our New Revolving Credit Facility contains restrictions on our ability to pay cash dividends on our capital stock. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

If securities or industry analysts publish unfavorable or inaccurate research about our business, our stock price and trading volume could decline.

Our stock price and trading volume is heavily influenced by the way analysts and investors interpret our financial information and other disclosures. If industry analysts cease coverage of us, our stock price would be negatively affected. If securities or industry analysts do not publish research or reports about our business, downgrade our common stock, or publish negative reports about our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our stock price to decline and could decrease the trading volume of our common stock.

Our amended and restated certificate of incorporation contains exclusive forum provisions for certain claims, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation, to the fullest extent permitted by law, provides that the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Moreover, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder and our amended and restated certificate of incorporation provides that the U.S. federal district courts will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (a "Federal Forum Provision"). Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, and the Federal Forum Provision will apply, to the fullest extent permitted by law, to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court, to the fullest extent permitted by law. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities will be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit our stockholders' ability to bring a claim in a judicial forum they find favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation or restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results, and financial condition.

Risks Related to Ownership of Our Common Stock

The stock price of our common stock has been, and may continue to be, volatile or may decline regardless of our operating performance, and you may lose part or all of your investment.

The market prices of the securities of newly-public companies, including ours, have historically been highly volatile and will likely continue to be, volatile. In addition to the factors discussed in this Quarterly Report on Form 10-Q, the market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including: overall performance of the equity markets;

- actual or anticipated fluctuations in our revenue and other operating results;
- changes in the financial projections we may provide to the public or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow us, or our failure to meet these estimates or the expectations of investors;
- recruitment or departure of key personnel;
- the economy as a whole and market conditions in our industry;
- negative publicity related to the real or perceived quality of our platform, as well as the failure to timely launch new products and services that gain market acceptance;
- rumors and market speculation involving us or other companies in our industry;
- announcement by us or our competitors of new products or services, commercial relationships, or significant technical innovations;
- acquisitions, strategic partnerships, joint ventures, or capital commitments;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- lawsuits threatened or filed against us, litigation involving our industry, or both;
- developments or disputes concerning our or other parties' products, services, or intellectual property and other proprietary rights;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- interpretations of any of the above or other factors by trading algorithms, including those that employ natural language processing and related methods to evaluate our public disclosures;
- other events or factors, including those resulting from war, incidents of terrorism, natural disasters, pandemics, or responses to those events;
- the expiration of contractual lock-up or market stand-off agreements; and
- sales of shares of our common stock by us or our stockholders.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies, and technology companies in particular, have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business.

Concentration of ownership of our common stock among our existing executive officers, directors, and principal stockholders may prevent new investors from influencing significant corporate decisions.

Based upon the information available to us about our shares outstanding as of September 30, 2021, our executive officers, directors, and current beneficial owners of 5% or more of our common stock, in the aggregate, beneficially own a substantial percentage of our outstanding common stock. These persons, acting together, will be able to significantly influence all matters requiring stockholder approval, including the election and removal of directors and any merger or other significant corporate transactions. The interests of this group of stockholders may not coincide with the interests of other stockholders.

Future sales of our common stock in the public market could cause the market price of our common stock to decline.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that such sales may have on the prevailing market price of our common stock.

All of our directors and officers and the holders of substantially all of our capital stock and securities convertible into our capital stock are subject to lock-up agreements that restrict their ability to transfer shares of our capital stock for 180 days from the date of our Final Prospectus, subject to earlier termination if such date would occur during a blackout period under our insider trading policy as described under the section titled “Underwriting”, provided that:

- The First Release: following our IPO, 15% of the shares of our common stock (including shares issuable upon exercise of options and shares of common stock that are subject to vesting conditions due to the early exercise of options that, in each case, vested on or prior to September 30, 2021) held by current or former employees, consultants and advisors (excluding our current executive officers and directors) on September 22, 2021 are not subject to the lock-up agreements and remain eligible to be sold; and
- The Second Release: if we meet the following conditions: (i) we have announced our earnings results for the quarter ended September 30, 2021 by November 15, 2021, and (ii) the last reported closing price of our common stock is at least 20% greater than the IPO price for four out of five trading days during the period commencing on November 15, 2021 and ending on November 19, 2021, then beginning on November 24, 2021:
 - current or former employees, consultants and advisors (excluding our current executive officers and directors) may sell up to 15% of the shares of common stock held as of November 19, 2021 (including shares issuable upon exercise of options, shares of common stock that are subject to vesting conditions due to the early exercise of options and RSUs that, in each case, will vest on or prior to December 15, 2021) (“Second Release Eligible Securities”); and
 - all other stockholders may sell up to the greater of (x) the number of shares of common stock that would result in receipt of net proceeds to the holder in an amount equal to the exercise and tax costs incurred by such holder with respect to options exercised in the 18 months preceding this offering and (y) 15% of the Second Release Eligible Securities.

The number of shares eligible to be sold in the First Release was approximately 3.2 million shares, which includes shares issuable upon exercise of vested options. We currently expect the number of shares eligible to be sold in the Second Release would be equal to approximately 23.6 million shares, which includes shares issuable upon exercise of vested options and settlement of RSUs and assuming all shares that were eligible to be sold on the First Release were sold before November 19, 2021.

If not earlier released, all of our shares of common stock will become eligible for sale upon expiration of the lock-up period, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”). Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC may, in their sole discretion, permit our stockholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements.

In addition, there were 25,598,408 shares of common stock issuable upon the exercise of options or the settlement of RSUs outstanding as of September 30, 2021. We registered all of the shares of common stock issuable upon exercise of outstanding options, RSUs, or other equity incentives we may grant in the future, for public resale under the Securities Act. The shares of common stock will become eligible for sale in the public market to the extent such options are exercised or such RSUs are settled, subject to the lock-up agreements described above and compliance with applicable securities laws.

Based on shares outstanding as of September 30, 2021, holders of up to approximately 142 million shares, or approximately 87%, of our common stock will have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders.

We may issue our shares of common stock or securities convertible into our common stock from time to time in connection with financings, acquisitions, investments, or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

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

Recent Sales of Unregistered Equity Securities

The following sets forth information regarding all unregistered securities sold during the three months ended June 30, 2021:

From July 1, 2021 to September 30, 2021, we granted to our directors, employees, consultants and other service providers options to purchase an aggregate of 1,040,500 shares of common stock under our 2011 Plan, at exercise prices ranging from \$9.65 to \$14.11 per share, for a weighted-average exercise price of \$13.12.

From July 1, 2021 to September 30, 2021, we issued and sold to our employees, consultants, and other service providers an aggregate of 1,951,856 shares of common stock upon the exercise of stock options under our 2011 Plan, at exercise prices ranging from \$0.05 to \$6.55 per share, for a weighted-average exercise price of \$1.88.

From July 1, 2021 to September 30, 2021, we granted to our employees, consultants, and other service providers an aggregate of 683,388 restricted stock units to be settled in shares of our common stock under our 2011 Plan.

On September 27, 2021, PayU Fintech Investments B.V. purchased from us 581,395 shares of common stock at a price per share equal to the IPO price of \$43.00 in a private placement, for total gross proceeds of approximately \$25.0 million.

On September 30, 2021, we issued 254,014 shares of our common stock upon the net exercise of outstanding warrants to purchase 256,250 shares of our common stock with a weighted-average exercise price of \$0.42 per share.

Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act (or Regulation D or Regulation S promulgated thereunder), or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access through their relationships with us, or otherwise to information about us. The issuances of these securities were made without any general solicitation or advertising.

Use of Proceeds

In September 2021, we completed the IPO, in which we issued and sold 7,000,000 shares of our common stock at \$43.00 per share. Concurrently, 5,162,777 shares were sold by certain of our existing stockholders. In addition, the Company concurrently issued 581,395 shares of common stock in a private placement at the same offering price as the IPO. The Company received net proceeds of \$305.2 million for the IPO and private placement, after deducting underwriting discounts and other fees of \$20.8 million. In connection with the IPO, 127,410,631 shares of outstanding redeemable convertible preferred stock automatically converted into an equivalent number of shares of common stock on a one-to-one basis.

All of the shares issued and sold in our IPO were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-259167), (the “Initial Registration Statement”) which was declared effective by the SEC on September 22, 2021. There has been no material change in the planned use of proceeds from our IPO as described in our Final Prospectus. The managing underwriters of our IPO were Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC. No payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates, or to our affiliates, in connection with the issuance and sale of the securities registered.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description	Form	Incorporated by reference		Filing Date
			File No.	Exhibit	
3.3	Amended and Restated Certificate of Incorporation				
3.4	Restated Bylaws				
10.1	Form of Indemnification Agreement by and between the Registrant and each of its directors and executive officers	S-1/A	333-259167	3.4	September 14, 2021
10.4	2021 Equity Incentive Plan, and forms of award agreements thereunder	S-1/A	333-259167	3.4	September 14, 2021
10.5	2021 Employee Stock Purchase Plan, and forms of subscription agreement thereunder	S-1/A	333-259167	3.4	September 14, 2021
10.7	Amended and Restated Offer Letter, effective as of September 13, 2021 by and between the Registrant and Matthew Oppenheim	S-1/A	333-259167	3.4	September 14, 2021
10.8	Amended and Restated Offer Letter, effective as of September 13, 2021 by and between the Registrant and Joshua H	S-1/A	333-259167	3.4	September 14, 2021
10.9	Amended and Restated Offer Letter, effective as of September 13, 2021 by and between the Registrant and Susanna Morga	S-1/A	333-259167	3.4	September 14, 2021
10.1	Revolving Credit and Guaranty Agreement, dated as of September 13, 2021, among Remitly Global, Inc. and Remitly, Inc., the guarantors party thereto, the lenders and issuing banks party thereto and J.P. Morgan Chase Bank, N.A.	S-1/A	333-259167	10.1	September 14, 2021

- 31.1 [Certification of Principal Executive Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2 [Certification of Principal Financial Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 32.1* [Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2* [Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101.INS Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
- 101.SCH Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document.
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

** The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.*

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.

Date: _____
By: Remitly Global Inc.
/s/ Matthew Oppenheimer
Matthew Oppenheimer
Chief Executive Officer
(Principal Executive Officer)

Date: _____
By: /s/ Susanna Morgan
Susanna Morgan
Chief Financial Officer
(Principal Financial and Accounting Officer)

REMITLY GLOBAL, INC.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Remitly Global, Inc., a Delaware corporation, hereby certifies as follows:

1. The present name of this corporation is Remitly Global, Inc. and this corporation was originally incorporated pursuant to the General Corporation Law of the State of Delaware on October 3, 2018 under the name Remitly Global, Inc.

2. The Amended and Restated Certificate of Incorporation of this corporation attached hereto as Exhibit A, which is incorporated herein by this reference, and which restates, integrates and further amends the provisions of the Certificate of Incorporation of this corporation as previously amended and/or restated, has been duly adopted by this corporation's Board of Directors and by the stockholders in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, with the approval of this corporation's stockholders having been given by written consent without a meeting in accordance with Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, this corporation has caused this Amended Restated Certificate of Incorporation to be signed by its duly authorized officer and the foregoing facts stated herein are true and correct.

Dated: September 27, 2021

REMITLY GLOBAL, INC.

By: /s/ Matthew B. Oppenheimer

Name: Matthew B. Oppenheimer

Title: Chief Executive Officer

EXHIBIT A

REMITLY GLOBAL, INC.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

ARTICLE I: NAME

The name of the corporation is Remitly Global, Inc. (the “*Corporation*”).

ARTICLE II: AGENT FOR SERVICE OF PROCESS

The address of the registered office of this Corporation in the State of Delaware is 850 New Burton Road, Suite 201, City of Dover, County of Kent, 19904. The name of the registered agent of this Corporation in the State of Delaware at that address is Cogency Global Inc.

ARTICLE III: PURPOSE

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “*General Corporation Law*”).

ARTICLE IV: AUTHORIZED STOCK

1. **Total Authorized.** The total number of shares of all classes of stock that the Corporation has authority to issue is 775,000,000 shares, consisting of two classes: 725,000,000 shares of Common Stock, \$0.0001 par value per share (“*Common Stock*”), and 50,000,000 shares of Preferred Stock, \$0.0001 par value per share (“*Preferred Stock*”).

2. **Designation of Additional Series.**

2.1. The Board of Directors of the Corporation (the “*Board*”) is authorized, subject to any limitations prescribed by the law of the State of Delaware, by resolution or resolutions adopted from time to time, to provide for the issuance of the shares of Preferred Stock in one or more series, and, by filing a certificate of designation pursuant to the applicable law of the State of Delaware (“*Certificate of Designation*”), to establish from time to time the number of shares to be included in each such series, to fix the designation, vesting, powers (including voting powers), preferences and relative, participating, optional or other special rights, if any, of the shares of each such series and any qualifications, limitations or restrictions thereof, and, except where otherwise provided in the applicable Certificate of Designation, to thereafter increase (but not above the total number of authorized shares of the Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series. The number of authorized shares of Preferred Stock may also be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of two-thirds of the voting power of all then-outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class, without a separate vote of the holders of the Preferred Stock, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law, subject to any separate vote of the holders of one or more outstanding series of Preferred Stock that is expressly required to effect such increase or decrease pursuant to the terms of any Certificate of Designation; *provided, however*, that if two-thirds of the Whole Board (as defined below) has approved such increase or decrease of the number of authorized shares of Preferred Stock, then such increase or decrease may be approved by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of the capital stock of the Corporation entitled to vote thereon, voting together as a single class, without a separate vote of the holders of the Preferred Stock, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law, subject to any separate vote of the holders of one or more outstanding series of Preferred Stock that is required pursuant to the terms of any Certificate of Designation. For purposes of this Amended and Restated Certificate of Incorporation (as the same may be amended and/or restated from time to time, including pursuant to the terms of any Certificate of Designation designating a series of

Preferred Stock, this “**Certificate of Incorporation**”), the term “**Whole Board**” shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

2.2 Subject to the rights of the holders of one or more outstanding series of Preferred Stock, any new series of Preferred Stock may be designated, fixed and determined as provided herein by the Board without approval of the holders of Common Stock or the holders of Preferred Stock, or any series thereof, and any such new series may have powers, preferences and rights, including, without limitation, voting powers, dividend rights, liquidation rights, redemption rights and conversion rights, senior to, junior to or pari passu with the rights of the Common Stock, any series of Preferred Stock or any future class or series of capital stock of the Corporation.

2.3 Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation for their vote; *provided, that*, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation.

ARTICLE V: AMENDMENT OF BYLAWS

The Board shall have the power to adopt, amend or repeal the Bylaws of the Corporation (as the same may be amended and/or restated from time to time, the “**Bylaws**”). Any adoption, amendment or repeal of the Bylaws by the Board shall require the approval of a majority of the Whole Board. The stockholders shall also have power to adopt, amend or repeal the Bylaws; *provided, that*, notwithstanding any other provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser or no vote, but in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds of the voting power of all then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend or repeal any provision of the Bylaws; *provided, further*, that, in the case of any proposed adoption, amendment or repeal of any provisions of the Bylaws that is approved by at least two-thirds of the Whole Board and submitted to the stockholders for adoption thereby, then only the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class (in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Certificate of Incorporation), shall be required to adopt, amend or repeal any provision of the Bylaws.

ARTICLE VI: MATTERS RELATING TO THE BOARD OF DIRECTORS

1. **Director Powers.** Except as otherwise provided by the General Corporation Law or this Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board.

2. **Number of Directors.** Subject to the special rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the total number of directors constituting the Whole Board shall be fixed from time to time exclusively by resolution adopted by a majority of the Whole Board. No decrease in the total number of directors constituting the Whole Board shall have the effect of removing any incumbent director.

3. **Classified Board.** Subject to the special rights of the holders of one or more series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided, with respect to the time for which they severally hold office, into three classes designated as Class I, Class II and Class III, respectively (the “**Classified Board**”). The Board may assign members of the Board already in office to the Classified Board, which assignments shall become effective at the same time that the Classified Board becomes effective. The number of directors in each such class shall be as nearly equal as possible. The initial term of office of the Class I directors shall expire at the Corporation’s first annual meeting of stockholders following the closing of the Corporation’s initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the “**Securities Act**”), relating to the offer and sale of Common Stock to the public (the “**Initial Public Offering**”), the initial term of office of the Class II directors shall expire at the Corporation’s second annual meeting of

stockholders following the closing of the Initial Public Offering and the initial term of office of the Class III directors shall expire at the Corporation's third annual meeting of stockholders following the closing of the Initial Public Offering. At each annual meeting of stockholders following the closing of the Initial Public Offering, directors elected to succeed those directors of the class whose terms then expire shall be elected for a term of office expiring at the third succeeding annual meeting of stockholders after their election.

4. **Term and Removal.** Each director shall hold office until the annual meeting at which such director's term expires and until such director's successor is duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal. Any director may resign at any time by delivering a resignation in writing or by electronic transmission to the Corporation. Subject to the special rights of the holders of any series of Preferred Stock to elect one or more additional directors, no director may be removed from the Board except for cause and only by the affirmative vote of the holders of at least two-thirds of the voting power of the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class.

5. **Board Vacancies and Newly Created Directorships.** Subject to the special rights of the holders of any series of Preferred Stock, any vacancy occurring in the Board for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall be filled only by the affirmative vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and shall not be filled by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which the director has been assigned expires and until such director's successor shall have been duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal.

6. **Additional Directors.** During any period when the holders of any outstanding series of Preferred Stock, voting separately as a series or together with one or more other such series, have the right to elect additional directors pursuant to the provisions of this Certificate of Incorporation in respect of such series, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such series of Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, disqualification or removal. Except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such capital stock, the terms of office of all such additional directors elected by the holders of such capital stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

7. **Vote by Ballot.** Election of directors need not be by written ballot unless the Bylaws shall so provide.

ARTICLE VII: DIRECTOR LIABILITY

1. **Limitation of Liability.** To the fullest extent permitted by law, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

2. **Change in Rights.** Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VII, shall eliminate, reduce or otherwise adversely affect any elimination of or limitation on the personal liability of a director of the Corporation with respect to any action or omission occurring prior to the time of such amendment, repeal or adoption of such an inconsistent provision.

ARTICLE VIII: MATTERS RELATING TO STOCKHOLDERS

1. **No Action by Written Consent of Stockholders.** Subject to the rights of any series of Preferred Stock then outstanding, no action shall be taken by the stockholders of the Corporation except at a duly called annual or special meeting of stockholders and no action shall be taken by the stockholders of the Corporation by written consent in lieu of a meeting.

2. **Special Meeting of Stockholders.** Special meetings of the stockholders of the Corporation may be called only by the Chairperson of the Board, the Chief Executive Officer, the Lead Independent Director (as defined in the Bylaws), the President or the Board acting pursuant to a resolution adopted by a majority of the Whole Board and may not be called by the stockholders or any other person or persons.

3. **Advance Notice of Stockholder Nominations and Business Transacted at Special Meetings.** Advance notice of stockholder nominations for the election of directors of the Corporation and of business to be brought by stockholders before any meeting of stockholders of the Corporation shall be given in the manner provided in the Bylaws. Business transacted at special meetings of stockholders shall be limited to the purpose or purposes stated in the notice of meeting.

ARTICLE IX: CHOICE OF FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Corporation; (b) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any current or former director, officer, stockholder, employee or agent of the Corporation to the Corporation or the Corporation's stockholders; (c) any action asserting a claim against the Corporation or any current or former director, officer, stockholder, employee or agent of the Corporation arising pursuant to any provision of the General Corporation Law, this Certificate of Incorporation or the Bylaws or as to which the General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; (d) any action to interpret, apply, enforce or determine the validity of this Certificate of Incorporation or the Bylaws; (e) any action asserting a claim against the Corporation or any director, officer, stockholder, employee or agent of the Corporation governed by the internal affairs doctrine; or (f) any other action asserting an "internal corporate claim" as that term is defined in Section 115 of the General Corporation Law. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, or any successor thereto or, to the fullest extent permitted by law, under the Securities and Exchange Act of 1934, as amended, or any successor thereto. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX. Failure to enforce the foregoing provisions of this Article IX would cause the Corporation irreparable harm, and the Corporation shall be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions.

ARTICLE X: AMENDMENT OF CERTIFICATE OF INCORPORATION

If any provision of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of this Certificate of Incorporation (including, without limitation, all portions of any section of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable, which is not invalid, illegal or unenforceable) shall remain in full force and effect.

The Corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; provided, however, that, notwithstanding any other provision of

this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of the Corporation required by law or by this Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds of the voting power of all then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal this Article X or Article V, Article VI, Article VII or Article VIII; provided, further, that if two-thirds of the Whole Board has approved any such amendment to or repeal of this Article X or Article V, Article VI, Article VII or Article VIII, then only the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class (in addition to any other vote of the holders of any class or series of stock of the Corporation required by law or by this Certificate of Incorporation), shall be required to adopt the amend to or repeal of such provisions.

REMITLY GLOBAL, INC.
(a Delaware corporation)

RESTATED BYLAWS

As Adopted September 27, 2021 and

As Effective September 27, 2021

REMITLY GLOBAL, INC.
(a Delaware corporation)
RESTATED BYLAWS
TABLE OF CONTENTS

	Page
<u>Article I: STOCKHOLDERS</u>	<u>1</u>
<u>Section 1.1: Annual Meetings</u>	<u>1</u>
<u>Section 1.2: Special Meetings</u>	<u>1</u>
<u>Section 1.3: Notice of Meetings</u>	<u>1</u>
<u>Section 1.4: Adjournments</u>	<u>1</u>
<u>Section 1.5: Quorum</u>	<u>2</u>
<u>Section 1.6: Organization</u>	<u>2</u>
<u>Section 1.7: Voting; Proxies</u>	<u>2</u>
<u>Section 1.8: Fixing Date for Determination of Stockholders of Record</u>	<u>3</u>
<u>Section 1.9: List of Stockholders Entitled to Vote</u>	<u>3</u>
<u>Section 1.10: Inspectors of Elections.</u>	<u>4</u>
<u>Section 1.11: Conduct of Meetings</u>	<u>5</u>
<u>Section 1.12: Notice of Stockholder Business; Nominations.</u>	<u>5</u>
<u>Article II: BOARD OF DIRECTORS</u>	<u>13</u>
<u>Section 2.1: Number; Qualifications</u>	<u>13</u>
<u>Section 2.2: Election; Resignation; Removal; Vacancies</u>	<u>13</u>
<u>Section 2.3: Regular Meetings</u>	<u>13</u>
<u>Section 2.4: Special Meetings</u>	<u>14</u>
<u>Section 2.5: Remote Meetings Permitted</u>	<u>14</u>
<u>Section 2.6: Quorum; Vote Required for Action</u>	<u>14</u>
<u>Section 2.7: Organization</u>	<u>14</u>
<u>Section 2.8: Unanimous Action by Directors in Lieu of a Meeting</u>	<u>14</u>
<u>Section 2.9: Powers</u>	<u>14</u>
<u>Section 2.10: Compensation of Directors</u>	<u>14</u>
<u>Section 2.11: Confidentiality</u>	<u>15</u>
<u>Article III: COMMITTEES</u>	<u>15</u>
<u>Section 3.1: Committees</u>	<u>15</u>
<u>Section 3.2: Committee Rules</u>	<u>15</u>
<u>Article IV: OFFICERS; CHAIRPERSON; LEAD INDEPENDENT DIRECTOR</u>	<u>15</u>
<u>Section 4.1: Generally</u>	<u>15</u>
<u>Section 4.2: Chief Executive Officer</u>	<u>16</u>
<u>Section 4.3: Chairperson of the Board</u>	<u>16</u>
<u>Section 4.4: Lead Independent Director</u>	<u>16</u>
<u>Section 4.5: President</u>	<u>17</u>
<u>Section 4.6: Chief Financial Officer</u>	<u>17</u>

<u>Section 4.7: Treasurer</u>	<u>17</u>
<u>Section 4.8: Vice President</u>	<u>17</u>
<u>Section 4.9: Secretary</u>	<u>17</u>
<u>Section 4.10: Delegation of Authority</u>	<u>17</u>
<u>Section 4.11: Removal</u>	<u>17</u>
<u>Article V: STOCK</u>	<u>18</u>
<u>Section 5.1: Certificates; Uncertificated Shares</u>	<u>18</u>
<u>Section 5.2: Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates or Uncertificated Shares</u>	<u>18</u>
<u>Section 5.3: Other Regulations</u>	<u>18</u>
<u>Article VI: INDEMNIFICATION</u>	<u>18</u>
<u>Section 6.1: Indemnification of Officers and Directors</u>	<u>18</u>
<u>Section 6.2: Advancement of Expenses</u>	<u>19</u>
<u>Section 6.3: Non-Exclusivity of Rights</u>	<u>19</u>
<u>Section 6.4: Indemnification Contracts</u>	<u>19</u>
<u>Section 6.5: Right of Indemnitee to Bring Suit</u>	<u>20</u>
<u>Section 6.6: Nature of Rights</u>	<u>20</u>
<u>Section 6.7: Amendment or Repeal</u>	<u>20</u>
<u>Section 6.8: Insurance</u>	<u>20</u>
<u>Article VII: NOTICES</u>	<u>20</u>
<u>Section 7.1: Notice.</u>	<u>20</u>
<u>Section 7.2: Waiver of Notice</u>	<u>21</u>
<u>Article VIII: INTERESTED DIRECTORS</u>	<u>21</u>
<u>Section 8.1: Interested Directors</u>	<u>22</u>
<u>Section 8.2: Quorum</u>	<u>22</u>
<u>Article IX: MISCELLANEOUS</u>	<u>22</u>
<u>Section 9.1: Fiscal Year</u>	<u>22</u>
<u>Section 9.2: Seal</u>	<u>22</u>
<u>Section 9.3: Form of Records</u>	<u>22</u>
<u>Section 9.4: Reliance Upon Books and Records</u>	<u>22</u>
<u>Section 9.5: Certificate of Incorporation Governs</u>	<u>22</u>
<u>Section 9.6: Severability</u>	<u>23</u>
<u>Section 9.7: Time Periods</u>	<u>23</u>
<u>Article X: AMENDMENT</u>	<u>23</u>

REMITLY GLOBAL, INC.

(a Delaware corporation)

RESTATED BYLAWS

As Adopted September 27, 2021 and

As Effective September 27, 2021

Article I: STOCKHOLDERS

Section I.1: Annual Meetings. If required by applicable law, an annual meeting of stockholders shall be held for the election of directors at such date and time as the Board of Directors (the “**Board**”) of Remitly Global, Inc. (the “**Corporation**”) shall each year fix. The meeting may be held either at a place, within or without the State of Delaware as permitted by the Delaware General Corporation Law (the “**DGCL**”), or by means of remote communication as the Board in its sole discretion may determine. Any proper business may be transacted at the annual meeting.

Section I.2: Special Meetings. Special meetings of stockholders for any purpose or purposes shall be called in the manner set forth in the Restated Certificate of Incorporation of the Corporation (as the same may be amended and/or restated from time to time, the “**Certificate of Incorporation**”). The special meeting may be held either at a place, within or without the State of Delaware, or by means of remote communication as the Board in its sole discretion may determine. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of the meeting.

Section I.3: Notice of Meetings. Notice of all meetings of stockholders shall be given in writing or by electronic transmission in the manner provided by applicable law (including, without limitation, as set forth in Section 7.1.1 of these Bylaws) stating the date, time and place, (if any) of the meeting, the means of remote communications (if any) by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for determining the stockholders entitled to notice of the meeting). In the case of a special meeting, such notice shall also set forth the purpose or purposes for which the meeting is called. Unless otherwise required by applicable law or the Certificate of Incorporation, notice of any meeting of stockholders shall be given not less than ten (10), nor more than sixty (60), days before the date of the meeting to each stockholder of record entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

Section I.4: Adjournments. Notwithstanding Section 1.5 of these Bylaws, the chairperson of the meeting shall have the power to adjourn the meeting to another time, date and place (if any), regardless of whether a quorum is present, at any time and for any reason. Any meeting of stockholders, annual or special, may be adjourned from time to time, and notice need not be given of any such adjourned meeting if the time, date and place (if any) thereof and the means of remote communication (if any) by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; *provided, however*, that if the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record

entitled to vote at the meeting. If, after the adjournment, a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. To the fullest extent permitted by law, if a quorum is present at the original meeting, it shall also be deemed present at the adjourned meeting. To the fullest extent permitted by law, the Board may postpone, reschedule or cancel at any time and for any reason any previously scheduled special or annual meeting of stockholders before it (or any adjournment) is to be held, regardless of whether any notice or public disclosure with respect to any such meeting (or adjournment) has been sent or made pursuant to Section 1.3 hereof or otherwise, in which case notice shall be provided to the stockholders of the new date, time and place (if any) of the meeting as provided in Section 1.3 above.

Section I.5: Quorum. Except as otherwise required by applicable law or as provided by the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the holders of a majority of the voting power of the shares of stock issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business; *provided, however*, that where a separate vote by a class or classes or series of stock is required by applicable law or the Certificate of Incorporation, the holders of a majority of the voting power of the shares of such class or classes or series of the stock issued and outstanding and entitled to vote on such matter, present in person or represented by proxy at the meeting, shall constitute a quorum entitled to take action with respect to the vote on such matter. If a quorum shall fail to attend any meeting, the chairperson of the meeting or, if directed to be voted on by the chairperson of the meeting, the holders of a majority of the voting power of the shares entitled to vote who are present in person or represented by proxy at the meeting may adjourn the meeting. Shares of the Corporation's stock belonging to the Corporation (or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation are held, directly or indirectly, by the Corporation) shall neither be entitled to vote nor be counted for quorum purposes; *provided, however*, that the foregoing shall not limit the right of the Corporation or any other corporation to vote any shares of the Corporation's stock held by it in a fiduciary capacity and to count such shares for purposes of determining a quorum. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum, including, to the fullest extent permitted by law, at any adjournment thereof (unless a new record date is fixed for the adjourned meeting).

Section I.6: Organization. Meetings of stockholders shall be presided over by (a) such person as the Board may designate, or (b) in the absence of such a person, the Chairperson of the Board, or (c) in the absence of such person, the Lead Independent Director, or (d) in the absence of such person, the Chief Executive Officer of the Corporation, or (e) in the absence of such person, the President of the Corporation, or (f) in the absence of such person, by a Vice President of the Corporation. The Secretary of the Corporation shall act as secretary of the meeting, but in such person's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section I.7: Voting; Proxies. Each stockholder of record entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. Such a proxy may be prepared, transmitted and delivered in any manner permitted by applicable

law. Except as may be required in the Certificate of Incorporation, directors shall be elected by a plurality of the votes cast by the holders of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. At all meetings of stockholders at which a quorum is present, unless a different or minimum vote is required by applicable law, rule or regulation applicable to the Corporation or its securities, the rules or regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation or these Bylaws, in which case such different or minimum vote shall be the applicable vote on the matter, every matter other than the election of directors shall be decided by the affirmative vote of the holders of a majority of the voting power of the shares of stock entitled to vote on such matter that are present in person or represented by proxy at the meeting and are voted for or against the matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each class or series, the holders of a majority of the voting power of the shares of stock of that class or series present in person or represented by proxy at the meeting voting for or against such matter).

Section I.8: Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at 5:00 p.m. Eastern Time on the day next preceding the day on which notice is given, or, if notice is waived, at 5:00 p.m. Eastern Time on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which shall not be more than sixty (60) days prior to such action. If no such record date is fixed by the Board, then the record date for determining stockholders for any such purpose shall be at 5:00 p.m. Eastern Time on the day on which the Board adopts the resolution relating thereto.

Section I.9: List of Stockholders Entitled to Vote. The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of stockholders entitled to vote at the meeting (*provided, however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order and showing the address of each stockholder and the number of shares

registered in the name of each stockholder. Nothing herein shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting, (a) on a reasonably accessible electronic network as permitted by applicable law (*provided* that the information required to gain access to the list is provided with the notice of the meeting) or (b) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is held at a location where stockholders may attend in person, a list of stockholders entitled to vote at the meeting shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present at the meeting. If the meeting is held solely by means of remote communication, then the list shall be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access the list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.9 or to vote in person or by proxy at any meeting of stockholders.

Section I.10: Inspectors of Elections.

I.1.1 Applicability. Unless otherwise required by the Certificate of Incorporation or by applicable law, the following provisions of this Section 1.10 shall apply only if and when the Corporation has a class of voting stock that is: (a) listed on a national securities exchange; (b) authorized for quotation on an interdealer quotation system of a registered national securities association; or (c) held of record by more than two thousand (2,000) stockholders. In all other cases, observance of the provisions of this Section 1.10 shall be optional, and at the discretion of the Board.

I.1.2 Appointment. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting.

I.1.3 Inspector's Oath. Each inspector of election, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

I.1.4 Duties of Inspectors. At a meeting of stockholders, the inspectors of election shall (a) ascertain the number of shares outstanding and the voting power of each share, (b) determine the shares represented at a meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period of time a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

I.1.5 Opening and Closing of Polls. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced by the chairperson of the meeting at the meeting. No ballot, proxies or votes, nor any

revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery upon application by a stockholder shall determine otherwise.

I.1.6 **Determinations.** In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in connection with proxies pursuant to Section 211(a)(2)b.(i) of the DGCL, or in accordance with Sections 211(e) or 212(c)(2) of the DGCL, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification of their determinations pursuant to this Section 1.10 shall specify the precise information considered by them, including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

Section I.11: Conduct of Meetings. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding person of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; (e) limitations on the time (if any) allotted to questions or comments by participants; (f) restricting the use of audio/video recording devices and cell phones; and (g) complying with any state and local laws and regulations concerning safety and security. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section I.12: Notice of Stockholder Business; Nominations.

I.12.1 **Annual Meeting of Stockholders.**

(a) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only: (i) pursuant to the Corporation's notice of such meeting (or any supplement thereto), (ii) by

or at the direction of the Board or any committee thereof or (iii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of the notice provided for in this Section 1.12 (the “**Record Stockholder**”), who is entitled to vote at such meeting and who complies with the notice and other procedures set forth in this Section 1.12 in all applicable respects. For the avoidance of doubt, the foregoing clause (iii) shall be the exclusive means for a stockholder to make nominations or propose business (other than business included in the Corporation’s proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the “**Exchange Act**”), at an annual meeting of stockholders, and such stockholder must fully comply with the notice and other procedures set forth in this Section 1.12 to bring such nominations or other business properly before an annual meeting.

(b) For nominations or other business to be properly brought before an annual meeting by a Record Stockholder pursuant to Section 1.12.1(a) of these Bylaws:

(i) the Record Stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and have provided any updates or supplements to such notice at the times and in the forms required by this Section 1.12;

(ii) such other business (other than the nomination of persons for election to the Board) must otherwise be a proper matter for stockholder action;

(iii) if the Proposing Person (as defined below) has provided the Corporation with a Solicitation Notice (as defined below), such Proposing Person must, in the case of a proposal other than the nomination of persons for election to the Board, have delivered a proxy statement and form of proxy to holders of at least the percentage of the Corporation’s voting shares required under applicable law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the Corporation’s voting shares reasonably believed by such Proposing Person to be sufficient to elect the nominee or nominees proposed to be nominated by such Record Stockholder, and must, in either case, have included in such materials the Solicitation Notice; and

(iv) if no Solicitation Notice relating thereto has been timely provided pursuant to this Section 1.12, the Proposing Person proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a Solicitation Notice under this Section 1.12.

To be timely, a Record Stockholder’s notice must be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than 5:00 p.m. Eastern Time on the ninetieth (90th) day nor earlier than 5:00 p.m. Eastern Time on the one hundred and twentieth (120th) day prior to the first anniversary of the preceding year’s annual meeting (except in the case of the Corporation’s first annual meeting following its initial public offering, for which such notice shall be timely if delivered in the same time period as if such meeting were a special meeting governed by Section 1.12.3 of these Bylaws); *provided, however*, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the Record Stockholder to be timely must be so delivered (A) no earlier than 5:00 p.m. Eastern Time on the one hundred and twentieth (120th) day prior to such annual meeting and (B) no later than 5:00 p.m. Eastern Time on the later of the ninetieth (90th) day prior to such annual meeting or 5:00 p.m. Eastern Time on the tenth (10th) day following the day on which Public Announcement (as defined below) of the date of such meeting is first made by the

Corporation. In no event shall an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for providing the Record Stockholder's notice.

(c) As to each person whom the Record Stockholder proposes to nominate for election or reelection as a director, in addition to the matters set forth in paragraph (e) below, such Record Stockholder's notice shall set forth:

(i) the name, age, business address and residence address of such person;

(ii) the principal occupation or employment of such nominee;

(iii) the class, series and number of any shares of stock of the Corporation that are beneficially owned or owned of record by such person or any Associated Person (as defined in Section 1.12.4(c));

(iv) the date or dates such shares were acquired and the investment intent of such acquisition;

(v) all other information relating to such person that would be required to be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or would be otherwise required, in each case pursuant to and in accordance with Section 14(a) (or any successor provision) under the Exchange Act and the rules and regulations thereunder;

(vi) such person's written consent to being named in the Corporation's proxy statement as a nominee, to the public disclosure of information regarding or related to such person provided to the Corporation by such person or otherwise pursuant to this Section 1.12 and to serving as a director if elected;

(vii) whether such person meets the independence requirements of the stock exchange upon which the Corporation's Common Stock is primarily traded;

(viii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such Proposing Person or any of its respective affiliates and associates, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, on the other hand, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation SK if the Proposing Person or any of its respective affiliates and associates were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and

(ix) a completed and signed questionnaire, representation and agreement required by Section 1.12.2 of these Bylaws.

(d) As to any business other than the nomination of a director or directors that the Record Stockholder proposes to bring before the meeting, in addition to the matters set forth in paragraph (e) below, such Record Stockholder's notice shall set forth:

(i) a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws, the text of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such Proposing Person, including any anticipated benefit to any Proposing Person therefrom; and

(ii) a description of all agreements, arrangements and understandings between or among any such Proposing Person and any of its respective affiliates or associates, on the one hand, and any other person or persons, on the other hand, (including their names) in connection with the proposal of such business by such Proposing Person.

(e) As to each Proposing Person giving the notice, such Record Stockholder's notice shall set forth:

(i) the current name and address of such Proposing Person, including, if applicable, their name and address as they appear on the Corporation's stock ledger, if different;

(ii) the class or series and number of shares of stock of the Corporation that are directly or indirectly owned of record or beneficially owned by such Proposing Person, including any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future;

(iii) whether and the extent to which any derivative interest in the Corporation's equity securities (including without limitation any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of shares of the Corporation or otherwise, and any cash-settled equity swap, total return swap, synthetic equity position or similar derivative arrangement (any of the foregoing, a "**Derivative Instrument**"), as well as any rights to dividends on the shares of any class or series of shares of the Corporation that are separated or separable from the underlying shares of the Corporation) or any short interest in any security of the Corporation (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any increase or decrease in the value of the subject security, including through performance-related fees) is held directly or indirectly by or for the benefit of such Proposing Person, including without limitation whether and the extent to which any ongoing hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including without limitation any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such Proposing Person with respect to any share of stock of the Corporation (any of the foregoing, a "**Short Interest**");

(iv) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such Proposing Person or any of its respective affiliates or associates is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership;

(v) any direct or indirect material interest in any material contract or agreement with the Corporation, any affiliate of the Corporation or any Competitor (as defined below) (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement);

(vi) any significant equity interests or any Derivative Instruments or Short Interests in any Competitor held by such Proposing Person and/or any of its respective affiliates or associates;

(vii) any other material relationship between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any Competitor, on the other hand;

(viii) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) or an amendment pursuant to Rule 13d-2(a) if such a statement were required to be filed under the Exchange Act and the rules and regulations promulgated thereunder by such Proposing Person and/or any of its respective affiliates or associates;

(ix) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) (or any successor provision) under the Exchange Act and the rules and regulations thereunder;

(x) such Proposing Person's written consent to the public disclosure of information provided to the Corporation pursuant to this Section 1.12;

(xi) a complete written description of any agreement, arrangement or understanding (whether oral or in writing) (including any knowledge that another person or entity is Acting in Concert (as defined in Section 1.12.4(c)) with such Proposing Person) between or among such Proposing Person, any of its respective affiliates or associates and any other person Acting in Concert with any of the foregoing persons;

(xii) a representation that the Record Stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination;

(xiii) a representation whether such Proposing Person intends (or is part of a group that intends) to deliver a proxy statement or form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares to elect such nominee or nominees (an affirmative statement of such intent being a "**Solicitation Notice**"); and

(xiv) any proxy, contract, arrangement or relationship pursuant to which the Proposing Person has a right to vote, directly or indirectly, any shares of any security of the Corporation.

The disclosures to be made pursuant to the foregoing clauses (ii), (iii), (iv) and (vi) shall not include any information with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

(f) A stockholder providing written notice required by this Section 1.12 shall update such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for determining the stockholders entitled to notice of the meeting and (ii) 5:00 p.m. Eastern Time on the tenth (10th) business day prior to the meeting or any adjournment or postponement thereof. In the case of an update pursuant to clause (i) of the foregoing sentence, such update shall be received by the Secretary of the Corporation at the principal executive office of the Corporation not later than five (5) business days after the record date for determining the stockholders entitled to notice of the meeting, and in the case of an update and supplement pursuant to clause (ii) of the

foregoing sentence, such update and supplement shall be received by the Secretary of the Corporation at the principal executive office of the Corporation not later than eight (8) business days prior to the date for the meeting and, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed). For the avoidance of doubt, the obligation to update as set forth in this paragraph shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or nomination or to submit any new proposal, including by changing or adding nominees, matters, business and/or resolutions proposed to be brought before a meeting of the stockholders.

(g) Notwithstanding anything in Section 1.12 or any other provision of these Bylaws to the contrary, any person who has been determined by a majority of the Whole Board to have violated Section 2.11 of these Bylaws or a Board Confidentiality Policy (as defined below) while serving as a director of the Corporation in the preceding five (5) years shall be ineligible to be nominated to serve as a member of the Board, absent a prior waiver for such nomination approved by two-thirds of the Whole Board.

I.12.2 Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee of any stockholder for election or reelection as a director of the Corporation, the person proposed to be nominated must deliver (in accordance with the time periods prescribed for delivery of notice under Section 1.12 of these Bylaws) to the Secretary of the Corporation at the principal executive offices of the Corporation a completed and signed questionnaire in the form required by the Corporation (which form the stockholder shall request in writing from the Secretary of the Corporation and which the Secretary shall provide to such stockholder within ten days of receiving such request) with respect to the background and qualification of such person to serve as a director of the Corporation and the background of any other person or entity on whose behalf, directly or indirectly, the nomination is being made and a signed representation and agreement (in the form available from the Secretary upon written request) that such person: (a) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "**Voting Commitment**") that has not been disclosed to the Corporation or (ii) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (b) is not and will not become a party to any Compensation Arrangement (as defined below) that has not been disclosed therein, (c) if elected as a director of the Corporation, will comply with all informational and similar requirements of applicable insurance policies and laws and regulations in connection with service or action as a director of the Corporation, (d) if elected as a director of the Corporation, will comply with all corporate governance, conflict of interest, stock ownership requirements, confidentiality and trading policies and guidelines of the Corporation publicly disclosed from time to time, (e) if elected as a director of the Corporation, will act in the best interests of the Corporation and its stockholders and not in the interests of individual constituencies, (f) consents to being named as a nominee in the Corporation's proxy statement pursuant to Rule 14a-4(d) under the Exchange Act and any associated proxy card of the Corporation and agrees to serve if elected as a director and (g) intends to serve as a director for the full term for which such individual is to stand for election.

I.12.3 Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of such meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of such meeting (a) by or at the direction of the Board or any committee thereof or (b) *provided* that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice of the special meeting, who shall be entitled to vote at the meeting and who complies with the notice and other procedures set forth in this Section 1.12 in all applicable respects. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by Section 1.12.1(b) of these Bylaws shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation (i) no earlier than the one hundred and twentieth (120th) day prior to such special meeting and (ii) no later than 5:00 p.m. Eastern Time on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for providing such notice.

I.12.4 General.

(a) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons who are nominated in accordance with the procedures set forth in this Section 1.12 shall be eligible to be elected at a meeting of stockholders and serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.12. Except as otherwise provided by law or these Bylaws, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.12 and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 1.12, unless otherwise required by law, if the stockholder (or a Qualified Representative of the stockholder (as defined below)) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(b) Notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 1.12 shall be deemed to affect any rights of (a) stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) the holders of any series of the Corporation's Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

(c) For purposes of these Bylaws the following definitions shall apply:

(i) a person shall be deemed to be “**Acting in Concert**” with another person if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or understanding) in concert with, or toward a common goal relating to the management, governance or control of the Corporation in substantial parallel with, such other person where (1) each person is conscious of the other person’s conduct or intent and this awareness is an element in their decision-making processes and (2) at least one additional factor suggests that such persons intend to act in concert or in substantial parallel, which such additional factors may include, without limitation, exchanging information (whether publicly or privately), attending meetings, conducting discussions or making or soliciting invitations to act in concert or in substantial parallel; *provided* that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Section 14(a) (or any successor provision) of the Exchange Act by way of a proxy or consent solicitation statement filed on Schedule 14A. A person Acting in Concert with another person shall be deemed to be Acting in Concert with any third party who is also Acting in Concert with such other person;

(ii) “**affiliate**” and “**associate**” shall have the meanings ascribed thereto in Rule 405 under the Securities Act of 1933, as amended (the “**Securities Act**”); *provided, however*, that the term “partner” as used in the definition of “associate” shall not include any limited partner that is not involved in the management of the relevant partnership;

(iii) “**Associated Person**” shall mean with respect to any subject stockholder or other person (including any proposed nominee) (1) any person directly or indirectly controlling, controlled by or under common control with such stockholder or other person, (2) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder or other person, (3) any associate of such stockholder or other person and (4) any person directly or indirectly controlling, controlled by or under common control or Acting in Concert with any such Associated Person;

(iv) “**Compensation Arrangement**” shall mean any direct or indirect compensatory payment or other financial agreement, arrangement or understanding with any person or entity other than the Corporation, including any agreement, arrangement or understanding with respect to any direct or indirect compensation, reimbursement or indemnification in connection with candidacy, nomination, service or action as a nominee or as a director of the Corporation;

(v) “**Competitor**” shall mean any entity that provides products or services that compete with or are alternatives to the principal products produced or services provided by the Corporation or its affiliates;

(vi) “**Proposing Person**” shall mean (1) the Record Stockholder providing the notice of business proposed to be brought before an annual meeting or nomination of persons for election to the Board at a stockholder meeting, (2) the beneficial owner or beneficial owners, if different, on whose behalf the notice

of business proposed to be brought before the annual meeting or nomination of persons for election to the Board at a stockholder meeting is made and (3) any Associated Person on whose behalf the notice of business proposed to be brought before the annual meeting or nomination of persons for election to the Board at a stockholder meeting is made;

(vii) “**Public Announcement**” shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act; and

(viii) to be considered a “**Qualified Representative**” of a stockholder, a person must be a duly authorized officer, manager, trustee or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as a proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction thereof, at the meeting. The Secretary of the Corporation, or any other person who shall be appointed to serve as secretary of the meeting, may require, on behalf of the Corporation, reasonable and appropriate documentation to verify the status of a person purporting to be a “Qualified Representative” for purposes hereof.

Section I.13: Delivery to the Corporation. Whenever this Article I requires one or more persons (including a record or beneficial owner of stock) to deliver a document or information to the Corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), the Corporation shall not be required to accept delivery of such document or information unless the document or information is in writing (and not in an electronic transmission) and delivered by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested.

Article II: BOARD OF DIRECTORS

Section II.1: Number; Qualifications. The total number of directors constituting the Whole Board shall be fixed from time to time in the manner set forth in the Certificate of Incorporation and the term “**Whole Board**” shall have the meaning specified in the Certificate of Incorporation. No decrease in the authorized number of directors constituting the Whole Board shall shorten the term of any incumbent director. Directors need not be stockholders of the Corporation.

Section II.2: Election; Resignation; Removal; Vacancies. Election of directors need not be by written ballot. Unless otherwise provided by the Certificate of Incorporation and subject to the special rights of holders of any series of Preferred Stock to elect directors, the Board shall be divided into three classes, designated as Class I, Class II and Class III. The number of directors in each class shall be divided as nearly equal as is practicable. Each director shall hold office until the annual meeting at which such director’s term expires and until such director’s successor is elected and qualified or until such director’s earlier death, resignation, disqualification or removal. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairperson of the Board, the Chief Executive Officer or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at a later time or upon the happening of an event.

Subject to the special rights of holders of any series of the Corporation's Preferred Stock to elect directors, directors may be removed only as provided by the Certificate of Incorporation and applicable law. All vacancies occurring in the Board and any newly created directorships resulting from any increase in the authorized number of directors shall be filled in the manner set forth in the Certificate of Incorporation.

Section II.3: Regular Meetings. Regular meetings of the Board may be held at such places, within or without the State of Delaware, and at such times as the Board may from time to time determine. Notice of regular meetings need not be given if the date, times and places thereof are fixed by resolution of the Board.

Section II.4: Special Meetings. Special meetings of the Board may be called by the Chairperson of the Board, the Chief Executive Officer, the Lead Independent Director or a majority of the members of the Board then in office and may be held at any time, date or place, within or without the State of Delaware, as the person or persons calling the meeting shall fix. Notice of the time, date and place of such meeting shall be given orally, in writing or by electronic transmission (including electronic mail), by or at the direction of the person or persons calling the meeting to all directors at least four (4) days before the meeting if the notice is mailed, or at least twenty-four (24) hours before the meeting if such notice is given by telephone, hand delivery, telegram, telex, mailgram, facsimile, electronic mail or other means of electronic transmission; *provided, however*, that if, under the circumstances, the Chairperson of the Board, the Lead Independent Director or the Chief Executive Officer calling a special meeting deems that more immediate action is necessary or appropriate, notice may be delivered on the day of such special meeting. Unless otherwise indicated in the notice, any and all business may be transacted at a special meeting.

Section II.5: Remote Meetings Permitted. Members of the Board, or any committee of the Board, may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to conference telephone or other communications equipment shall constitute presence in person at such meeting.

Section II.6: Quorum; Vote Required for Action. At all meetings of the Board, a majority of the Whole Board shall constitute a quorum for the transaction of business. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date or time. Except as otherwise provided herein or in the Certificate of Incorporation, or required by law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Section II.7: Organization. Meetings of the Board shall be presided over by (a) the Chairperson of the Board, or (b) in the absence of such person, the Lead Independent Director, or (c) in such person's absence, by the Chief Executive Officer, or (d) in such person's absence, by a chairperson chosen by the Board at the meeting. The Secretary of the Corporation shall act as secretary of the meeting, but in such person's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section II.8: Unanimous Action by Directors in Lieu of a Meeting. Any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or

consents shall be filed with the minutes of proceedings of the Board or committee, as applicable. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section II.9: Powers. Except as otherwise provided by the Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board.

Section II.10: Compensation of Directors. Members of the Board, as such, may receive, pursuant to a resolution of the Board, fees and other compensation for their services as directors, including without limitation their services as members of committees of the Board.

Section II.11: Confidentiality. Each director shall maintain the confidentiality of, and shall not share with any third-party person or entity (including third parties that originally sponsored, nominated or designated such director (the “**Sponsoring Party**”)), any nonpublic information learned in their capacities as directors, including communications among Board members in their capacities as directors. The Board may adopt a board confidentiality policy further implementing and interpreting this Section 2.11 (a “**Board Confidentiality Policy**”). All directors are required to comply with this Section 2.11 and any Board Confidentiality Policy unless such director or the Sponsoring Party for such director has entered into a specific written agreement with the Corporation, in either case as approved by the Board, providing otherwise with respect to such confidential information.

Section II.12: Emergency Bylaws. This Section 2.12 shall be operative during any emergency condition as contemplated by Section 110 of the DGCL (an “**Emergency**”), notwithstanding any different or conflicting provisions in these Bylaws, the Certificate of Incorporation or the DGCL. In the event of any Emergency, or other similar emergency condition, the director or directors in attendance at a meeting of the Board or a standing committee thereof shall constitute a quorum. Such director or directors in attendance may further take action to appoint one or more of themselves or other directors to membership on any standing or temporary committees of the Board as they shall deem necessary and appropriate. Except as the Board may otherwise determine, during any Emergency, the Corporation and its directors and officers, may exercise any authority and take any action or measure contemplated by Section 110 of the DGCL.

Article III: COMMITTEES

Section III.1: Committees. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting of such committee who are not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in a resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving, adopting or recommending to the stockholders any action or matter (other than the election or

removal of members of the Board) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending or repealing any bylaw of the Corporation.

Section III.2: Committee Rules. Each committee shall keep records of its proceedings and make such reports as the Board may from time to time request. Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules, each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article II of these Bylaws. Except as otherwise provided in the Certificate of Incorporation, these Bylaws or the resolution of the Board designating the committee, any committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and may delegate to any such subcommittee any or all of the powers and authority of the committee.

Article IV: OFFICERS; CHAIRPERSON; LEAD INDEPENDENT DIRECTOR

Section IV.1: Generally. The officers of the Corporation shall consist of a Chief Executive Officer (who may be the Chairperson of the Board or the President), a President, a Secretary and a Treasurer and may consist of such other officers, including, without limitation, a Chief Financial Officer, and one or more Vice Presidents, as may from time to time be appointed by the Board. All officers shall be elected by the Board; *provided, however,* that the Board may empower the Chief Executive Officer of the Corporation to appoint any officer other than the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, each officer shall hold office until such officer's successor is duly elected and qualified or until such officer's earlier resignation, death, disqualification or removal. Any number of offices may be held by the same person. Any officer may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairperson of the Board, the Chief Executive Officer or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled by the Board and the Board may, in its discretion, leave unfilled, for such period as it may determine, any offices. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is duly elected and qualified or until such officer's earlier resignation, death, disqualification or removal.

Section IV.2: Chief Executive Officer. Subject to the control of the Board and such supervisory powers (if any) as may be given by the Board, the powers and duties of the Chief Executive Officer of the Corporation are:

- (a) to act as the general manager and, subject to the control of the Board, to have general supervision, direction and control of the business and affairs of the Corporation;
- (b) subject to Section 1.6 of these Bylaws, to preside at all meetings of the stockholders;
- (c) subject to Section 1.2 of these Bylaws, to call special meetings of the stockholders to be held at such times and, subject to the limitations prescribed by law or by these Bylaws, at such places as he or she shall deem proper; and
- (d) to affix the signature of the Corporation to all deeds, conveyances, mortgages, guarantees, leases, obligations, bonds, certificates and other papers and

instruments in writing which have been authorized by the Board or which, in the judgment of the Chief Executive Officer, should be executed on behalf of the Corporation; to sign certificates for shares of stock of the Corporation (if any); and, subject to the direction of the Board, to have general charge of the property of the Corporation and to supervise and control all officers, agents and employees of the Corporation.

Section IV.3: Chairperson of the Board. Subject to the provisions of Section 2.7 of these Bylaws, the Chairperson of the Board shall have the power to preside at all meetings of the Board and shall have such other powers and duties as provided in these Bylaws and as the Board may from time to time prescribe. The Chairperson of the Board may or may not be an officer of the Corporation.

Section IV.4: Lead Independent Director. The Board may, in its discretion, elect a lead independent director from among its members that are Independent Directors (as defined below) (such director, the "**Lead Independent Director**"). The Lead Independent Director shall preside at all Board meetings at which the Chairperson of the Board is not present and shall exercise such other powers and duties as may from time to time be assigned to him or her by the Board or as prescribed by these Bylaws. For purposes of these Bylaws, "**Independent Director**" has the meaning ascribed to such term under the rules of the exchange upon which the Corporation's Common Stock is primarily traded.

Section IV.5: President. The person holding the office of Chief Executive Officer shall be the President of the Corporation unless the Board shall have designated one individual as the President and a different individual as the Chief Executive Officer of the Corporation. Subject to the provisions of these Bylaws and to the direction of the Board, and subject to the supervisory powers of the Chief Executive Officer (if the Chief Executive Officer is an officer other than the President), and subject to such supervisory powers and authority as may be given by the Board to the Chairperson of the Board, and/or to any other officer, the President shall have the responsibility for the general management and control of the business and affairs of the Corporation and the general supervision and direction of all of the officers, employees and agents of the Corporation (other than the Chief Executive Officer, if the Chief Executive Officer is an officer other than the President) and shall perform all duties and have all powers that are commonly incident to the office of President or that are delegated to the President by the Board.

Section IV.6: Chief Financial Officer. The person holding the office of Chief Financial Officer shall be the Treasurer of the Corporation unless the Board shall have designated another officer as the Treasurer of the Corporation. Subject to the direction of the Board and the Chief Executive Officer, the Chief Financial Officer shall perform all duties and have all powers that are commonly incident to the office of Chief Financial Officer, or as the Board or the Chief Executive Officer may from time to time prescribe.

Section IV.7: Treasurer. The person holding the office of Treasurer shall have custody of all monies and securities of the Corporation. The Treasurer shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions. The Treasurer shall also perform such other duties and have such other powers as are commonly incident to the office of Treasurer, or as the Board or the Chief Executive Officer may from time to time prescribe.

Section IV.8: Vice President. Each Vice President shall have all such powers and duties as are commonly incident to the office of Vice President or that are delegated to him or

her by the Board or the Chief Executive Officer. A Vice President may be designated by the Board to perform the duties and exercise the powers of the Chief Executive Officer or President in the event of the Chief Executive Officer's or President's absence or disability.

Section IV.9: Secretary. The Secretary shall issue or cause to be issued all authorized notices for, and shall keep, or cause to be kept, minutes of all meetings of the stockholders and the Board. The Secretary shall have charge of the corporate minute books and similar records and shall perform such other duties and have such other powers as are commonly incident to the office of Secretary, or as the Board or the Chief Executive Officer may from time to time prescribe.

Section IV.10: Delegation of Authority. The Board may from time to time delegate the powers or duties of any officer of the Corporation to any other officers or agents of the Corporation, notwithstanding any provision hereof.

Section IV.11: Removal. Any officer of the Corporation shall serve at the pleasure of the Board and may be removed at any time, with or without cause, by the Board; *provided* that if the Board has empowered the Chief Executive Officer to appoint any officer of the Corporation, then such officer may also be removed by the Chief Executive Officer. Such removal shall be without prejudice to the contractual rights of such officer (if any) with the Corporation.

Article V: STOCK

Section V.1: Certificates; Uncertificated Shares. The shares of capital stock of the Corporation shall be uncertificated shares; *provided, however,* that the resolution of the Board that the shares of capital stock of the Corporation shall be uncertificated shares shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation (or the transfer agent or registrar, as the case may be). Notwithstanding the foregoing, the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be certificated shares. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the Corporation, by any two authorized officers of the Corporation (it being understood that each of the Chairperson of the Board, the Vice-Chairperson of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary and any Assistant Secretary shall be an authorized officer for such purpose), representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

Section V.2: Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates or Uncertificated Shares. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it, against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section V.3: Other Regulations. Subject to applicable law, the Certificate of Incorporation and these Bylaws, the issue, transfer, conversion and registration of shares represented by certificates and of uncertificated shares shall be governed by such other regulations as the Board may establish.

Article VI: INDEMNIFICATION

Section VI.1: Indemnification of Officers and Directors. Each person who was or is made a party to, or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, legislative, investigative, preliminary, informal or formal, or any other type whatsoever, including any arbitration or other alternative dispute resolution (including but not limited to giving testimony or responding to a subpoena) and including any appeal of any of the foregoing (a "***Proceeding***"), by reason of the fact that such person (or a person of whom such person is the legal representative), is or was a member of the Board of the Corporation or is or was an officer of the Corporation designated by the Board to be entitled to the indemnification and advancement rights set forth in this Article VI or, while serving in such capacity, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (for purposes of this Article VI, an "***Indemnitee***"), shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes and penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith, provided such Indemnitee acted in good faith and in a manner that the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful. Such indemnification shall continue as to an Indemnitee who has ceased to be a director or officer of the Corporation and shall inure to the benefit of such Indemnitees' heirs, executors and administrators. Notwithstanding the foregoing, subject to Section 6.5 of this Article VI, the Corporation shall indemnify any such Indemnitee seeking indemnity in connection with a Proceeding (or part thereof) initiated by such Indemnitee only if such Proceeding (or part thereof) was authorized by the Board or such indemnification is authorized by an agreement approved by the Board.

Section VI.2: Advancement of Expenses. Except as otherwise provided in a written indemnification agreement between the Corporation and the Indemnitee, the Corporation shall pay all reasonable expenses (including attorneys' fees) incurred by an Indemnitee in defending any Proceeding as they are incurred or otherwise in advance of its final disposition; *provided, however*, that if the DGCL then so requires, the advancement of such expenses (i.e., payment of such expenses as incurred or otherwise in advance of the final disposition of the Proceeding) shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Indemnitee, to repay such amounts if it shall ultimately be determined by final judicial decision from which there is no appeal that such Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section VI.3: Non-Exclusivity of Rights. The rights conferred on any person in this Article VI shall not be exclusive of any other right that such person may have or hereafter

acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote or consent of stockholders or disinterested directors, or otherwise. Additionally, nothing in this Article VI shall limit the ability of the Corporation, in its discretion, to indemnify or advance expenses to persons whom the Corporation is not obligated to indemnify or advance expenses pursuant to this Article VI.

Section VI.4: Indemnification Contracts. The Board is, or as otherwise delegated by the Board to the officers of the Corporation, the officers are, authorized to cause the Corporation to enter into indemnification contracts with any member of the Board, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing indemnification or advancement rights to such person. Such rights may be greater than those provided in this Article VI.

Section VI.5: Right of Indemnitee to Bring Suit. The following shall apply to the extent not in conflict with any indemnification contract provided for in Section 6.4 of this Article VI.

VI.5.1 Right to Bring Suit. If a claim under Section 6.1 or 6.2 of this Article VI is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If the Indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee also shall be entitled to be paid, to the fullest extent permitted by law, the expense of prosecuting or defending such suit. In any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an advancement of expenses) it shall be a defense that the Indemnitee has not met any applicable standard for indemnification set forth in applicable law. In any suit brought by the Corporation to recover the advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Indemnitee has not met any applicable standard for indemnification set forth in applicable law.

VI.5.2 Effect of Determination. Neither the absence of a determination by or on behalf of the Corporation prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in applicable law, nor an actual determination by or on behalf of the Corporation that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit.

VI.5.3 Burden of Proof. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VI, or otherwise, shall be on the Corporation.

Section VI.6: Successful Defense. To the extent that an Indemnitee has been successful on the merits or otherwise in defense of any proceeding (or in defense of any claim, issue or matter therein), such Indemnitee shall be indemnified under this Section 6.6 against expenses

(including attorneys' fees) actually and reasonably incurred in connection with such defense. Indemnification under this Section 6.6 shall not be subject to satisfaction of a standard of conduct, and the Corporation may not assert the failure to satisfy a standard of conduct as a basis to deny indemnification or recover amounts advanced, including in a suit brought pursuant to Section 6.5 of this Article VI (notwithstanding anything to the contrary therein); provided, however, that, any Indemnitee who is not a current or former member of the Board or officer (as such term is defined in the final sentence of Section 145(c)(1) of the DGCL) shall be entitled to indemnification under Section 6.1 of this Article VI and this Section 6.6 only if such Indemnitee has satisfied the standard of conduct required for indemnification under Section 145(a) or Section 145(b) of the DGCL.

Section VI.7: Nature of Rights. The rights conferred upon Indemnitees in this Article VI shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a member of the Board, officer, employee or agent and shall inure to the benefit of the Indemnitee's heirs, executors and administrators. Any amendment, repeal or modification of any provision of this Article VI that adversely affects any right of an Indemnitee or an Indemnitee's successors shall be prospective only, and shall not adversely affect any right or protection conferred on a person pursuant to this Article VI with respect to any Proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, repeal or modification.

Section 6.8: **Insurance.** The Corporation may purchase and maintain insurance, at its expense, to protect itself and any member of the Board, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Article VII: NOTICES

Section VII.1:Notice.

VII.1.1 **Form and Delivery.** Except as otherwise required by law, notice may be given in writing directed to a stockholder's mailing address as it appears on the records of the Corporation and shall be given: (a) if mailed, when notice is deposited in the U.S. mail, postage prepaid; and (b) if delivered by courier service, the earlier of when the notice is received or left at such stockholder's address. So long as the Corporation is subject to the Securities and Exchange Commission's proxy rules set forth in Regulation 14A under the Exchange Act, notice shall be given in the manner required by such rules. To the extent permitted by such rules, or if the Corporation is not subject to Regulation 14A, notice may be given by electronic transmission directed to the stockholder's electronic mail address, and if so given, shall be given when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited by Section 232(e) of the DGCL. If notice is given by electronic mail, such notice shall comply with the applicable provisions of Sections 232(a) and 232(d) of the DGCL. Notice may be given by other forms of electronic transmission with the consent of a stockholder in the manner permitted by Section 232(b) of the DGCL and shall be deemed given as provided therein.

VII.1.2 **Affidavit of Giving Notice.** An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Corporation that the notice has been given

in writing or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

Section VII.2: Waiver of Notice. Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver of notice, signed by the person entitled to notice, or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any waiver of notice.

Article VIII: INTERESTED DIRECTORS

Section VIII.1: Interested Directors. No contract or transaction between the Corporation and one or more of its members of the Board or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are members of the board of directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof that authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if: (a) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; (b) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board, a committee thereof, or the stockholders.

Section VIII.2: Quorum. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction described in Section 8.1 of this Article VIII.

Article IX: MISCELLANEOUS

Section IX.1: Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board.

Section IX.2: Seal. The Board may provide for a corporate seal, which may have the name of the Corporation inscribed thereon and shall otherwise be in such form as may be approved from time to time by the Board.

Section IX.3: Form of Records. Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on or by means of, or be in the form of, any other information storage device, method or one or more electronic networks or databases (including one or more distributed electronic networks or databases), electronic or otherwise, *provided* that the records

so kept can be converted into clearly legible paper form within a reasonable time and otherwise comply with the DGCL. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to any provision of the DGCL.

Section IX.4: Reliance Upon Books and Records. A member of the Board, or a member of any committee designated by the Board shall, in the performance of such person's duties, be fully protected in relying in good faith upon the books and records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section IX.5: Certificate of Incorporation Governs. In the event of any conflict between the provisions of the Certificate of Incorporation and these Bylaws, the provisions of the Certificate of Incorporation shall govern.

Section IX.6: Severability. If any provision of these Bylaws shall be held to be invalid, illegal, unenforceable or in conflict with the provisions of the Certificate of Incorporation, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of these Bylaws (including without limitation, all portions of any section of these Bylaws containing any such provision held to be invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation, that are not themselves invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation) shall remain in full force and effect.

Section IX.7: Time Periods. In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used (unless otherwise specified herein), the day of the doing of the act shall be excluded, and the day of the event shall be included.

Article X: AMENDMENT

Notwithstanding any other provision of these Bylaws, any alteration, amendment or repeal of these Bylaws, and any adoption of new Bylaws, shall require the approval of the Board or the stockholders of the Corporation as expressly provided in the Certificate of Incorporation.

**CERTIFICATION OF RESTATED BYLAWS
OF
REMITLY GLOBAL, INC.
a Delaware Corporation**

I, Saema Somalya, certify that I am Secretary of Remitly Global, Inc., a Delaware corporation (the “*Corporation*”), that I am duly authorized to make and deliver this certification, that the attached Bylaws are a true and complete copy of the Restated Bylaws of the Corporation in effect as of the date of this certificate.

Dated: September 27, 2021

/s/ Saema Somalya
Saema Somalya
Secretary

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Matthew Oppenheimer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Remitly Global, 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)) 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) 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
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: November 12, 2021

/s/ Matthew Oppenheimer

Matthew Oppenheimer

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Susanna Morgan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Remitly Global, 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)) 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) 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
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: November 12, 2021

/s/ Susanna Morgan
Susanna Morgan
Chief Financial Officer
(Principal Financial and Accounting Officer)

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

I, Matthew Oppenheimer, Chief Executive Officer of Remitly Global, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2021 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 12, 2021

/s/ Matthew Oppenheimer

Matthew Oppenheimer

Chief Executive Officer

(Principal Executive Officer)

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

I, Susanna Morgan, Chief Financial Officer of Remitly Global, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2021 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 12, 2021

/s/ Susanna Morgan

Susanna Morgan
Chief Financial Officer
(Principal Financial and Accounting Officer)