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

FORM 10-Q

(Mark One)

☑ QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024 OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________ to _________

Commission file number 1-9330

CORECARD CORPORATION

(Exact name of registrant as specified in its charter)

Georgia	**58-1964787**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Meca Way, Norcross, Georgia	**30093**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(770) 381-2900**

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value per share	CCRD	NYSE

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑	Smaller reporting company	☑
		Emerging growth company	☐

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

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

As of October 31, 2024, 7,901,148 shares of Common Stock of the registrant were outstanding.

CoreCard Corporation

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Part I FINANCIAL INFORMATION

Item 1. Financial Statements

CoreCard Corporation
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

As of	September 30, 2024	December 31, 2023
	(unaudited)	(audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 22,498	$ 26,918
Marketable securities	5,511	5,230
Accounts receivable, net	7,320	7,536
Other current assets	6,522	4,805
Total current assets	41,851	44,489
Investments	3,632	4,062
Property and equipment, at cost less accumulated depreciation	11,954	11,319
Other long-term assets	5,371	3,956
Total assets	$ 62,808	$ 63,826
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,628	$ 1,557
Deferred revenue, current portion	1,264	2,310
Accrued payroll	2,459	2,172
Accrued expenses	1,050	971
Other current liabilities	2,143	2,530
Total current liabilities	8,544	9,540
Commitments and Contingencies (see Note 9)		
Noncurrent liabilities:		
Deferred revenue, net of current portion	161	265
Other long-term liabilities	372	196
Long-term lease obligation	2,044	1,121
Total noncurrent liabilities	2,577	1,582
Stockholders' equity:		
Common stock, $0.01 par value: Authorized shares - 20,000,000; Issued shares – 9,026,940 and 9,016,140 at September 30, 2024 and December 31, 2023, respectively; Outstanding shares – 7,901,148 and 8,295,408 at September 30, 2024 and December 31, 2023, respectively	91	90
Additional paid-in capital	17,479	16,621
Treasury stock, 1,125,792 and 720,732 shares at September 30, 2024 and December 31, 2023, respectively, at cost	(25,825)	(20,359)
Accumulated other comprehensive income (loss)	100	32
Accumulated income	59,842	56,320
Total stockholders' equity	51,687	52,704
Total liabilities and stockholders' equity	$ 62,808	$ 63,826

The accompanying notes are an integral part of these Consolidated Financial Statements .

CoreCard Corporation
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue				
Services	$ 14,283	$ 13,399	$ 41,156	$ 42,053
Products	1,420	-	1,420	1,794
Total net revenue	15,703	13,399	42,576	43,847
Cost of revenue				
Services	8,999	9,279	27,588	28,380
Products	-	-	-	-
Total cost of revenue	8,999	9,279	27,588	28,380
Expenses				
Marketing	79	63	309	237
General and administrative	1,339	1,155	4,256	4,220
Development	2,501	2,489	5,961	6,094
Income from operations	2,785	413	4,462	4,916
Investment income (loss)	(90)	(1,015)	(528)	(1,701)
Other income (loss), net	233	308	758	653
Income (loss) before income taxes	2,928	(294)	4,692	3,868
Income tax expense (benefit)	732	(72)	1,170	959
Net income (loss)	$ 2,196	$ (222)	$ 3,522	$ 2,909
Earnings (loss) per share:				
Basic	$ 0.28	$ (0.03)	$ 0.44	$ 0.34
Diluted	$ 0.27	$ (0.03)	$ 0.43	$ 0.34
Basic weighted average common shares outstanding	7,957,571	8,460,473	8,092,681	8,485,416
Diluted weighted average common shares outstanding	8,017,870	8,460,473	8,142,972	8,509,825

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net (loss) income	$ 2,196	$ (222)	$ 3,522	$ 2,909
Other comprehensive income (loss):				
Unrealized gain (loss) on marketable securities	111	11	133	36
Foreign currency translation adjustments	(15)	15	(65)	(32)
Total comprehensive (loss) income	$ 2,292	$ (196)	$ 3,590	$ 2,913

The accompanying notes are an integral part of these Consolidated Financial Statements.

CoreCard Corporation
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited, in thousands, except share amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings	Stockholders' Equity
Balance at December 31, 2022	8,502,735	$ 90	$ 16,471	$ (16,662)	$ (61)	$ 52,925	$ 52,763
Net income						1,256	1,256
Unrealized gain (loss) on marketable securities					37		37
Foreign currency translation adjustment					(53)		(53)
Balance at March 31, 2023	8,502,735	$ 90	$ 16,471	$ (16,662)	$ (77)	$ 54,181	$ 54,003
Common stock repurchased, including excise tax*	(18,075)			(443)			(443)
Net income						1,875	1,875
Stock compensation expense	6,021	-	150				150
Unrealized gain (loss) on marketable securities					(12)		(12)
Foreign currency translation adjustment					6		6
Balance at June 30, 2023	8,490,681	$ 90	$ 16,621	$ (17,105)	$ (83)	$ 56,056	$ 55,579
Common stock repurchased*	(50,325)			(1,108)			(1,108)
Net loss						(222)	(222)
Unrealized gain (loss) on marketable securities					11		11
Foreign currency translation adjustment					15		15
Balance at September 30, 2023	8,440,356	$ 90	$ 16,621	$ (18,213)	$ (57)	$ 55,834	$ 54,275
Balance at December 31, 2023	8,295,408	$ 90	$ 16,621	$ (20,359)	$ 32	$ 56,320	$ 52,704
Common stock repurchased, including excise tax*	(134,650)			(1,647)			(1,647)
Net income						430	430
Stock compensation expense			160				160
Unrealized gain (loss) on marketable securities					5		5
Foreign currency translation adjustment					(2)		(2)
Balance at March 31, 2024	8,160,758	$ 90	$ 16,781	$ (22,006)	$ 35	$ 56,750	$ 51,650
Common stock repurchased, including excise tax*	(147,040)			(2,091)			(2,091)
Net income						896	896
Stock compensation expense	10,800	1	424				425
Unrealized gain (loss) on marketable securities					17		17
Foreign currency translation adjustment					(48)		(48)
Balance at June 30, 2024	8,024,518	$ 91	$ 17,205	$ (24,097)	$ 4	$ 57,646	$ 50,849
Common stock repurchased*	(123,370)			(1,728)			(1,728)
Net income						2,196	2,196
Stock compensation expense			274				274
Unrealized gain (loss) on marketable securities					111		111
Foreign currency translation adjustment					(15)		(15)
Balance at September 30, 2024	7,901,148	$ 91	$ 17,479	$ (25,825)	$ 100	$ 59,842	$ 51,687

*At September 30, 2024, approximately $9.3 million was authorized for future repurchases of our common stock.

The accompanying notes are an integral part of these Consolidated Financial Statements.

CoreCard Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

CASH PROVIDED BY (USED FOR):	Nine Months Ended September 30, 2024	2023
OPERATING ACTIVITIES:		
Net income	$ 3,522	$ 2,909
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,776	5,011
Stock-based compensation expense	859	150
Deferred income taxes	(260)	69
Non-cash investment loss (income)	-	1,000
Equity in loss of affiliate company	528	701
Changes in operating assets and liabilities:		
Accounts receivable, net	216	7,345
Other current assets	(1,717)	(2,329)
Other long-term assets	17	563
Accounts payable	388	(78)
Accrued payroll	287	53
Deferred revenue, current portion	(1,046)	2,649
Accrued expenses	79	281
Other current liabilities	(506)	40
Deferred revenue, net of current portion	(104)	(112)
Net cash provided by operating activities	5,039	18,252
INVESTING ACTIVITIES:		
Purchases of property and equipment	(3,733)	(4,845)
Advances on notes and interest receivable	(200)	(450)
Proceeds from payments on notes receivable	152	147
Purchases of marketable securities	(1,831)	(1,776)
Maturities of marketable securities	1,728	1,602
Purchase of long-term investment	(98)	(155)
Net cash used for investing activities	(3,982)	(5,477)
FINANCING ACTIVITIES:		
Repurchases of common stock	(5,412)	(1,528)
Net cash used for financing activities	(5,412)	(1,528)
Effects of exchange rate changes on cash	(65)	(32)
Net increase (decrease) in cash	(4,420)	11,215
Cash at beginning of period	26,918	20,399
Cash at end of period	$ 22,498	$ 31,614
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for income taxes	$ 1,070	$ 168
Purchases of property and equipment, accrued but not paid	$ 144	$ -

The accompanying notes are an integral part of these Consolidated Financial Statements.

CoreCard Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Throughout this report, the terms “we”, “us”, “ours”, “CoreCard” and “Company” refer to CoreCard Corporation, including its wholly-owned and majority-owned subsidiaries. The unaudited Consolidated Financial Statements presented in this Form 10-Q have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) applicable to interim financial statements. Accordingly, they do not include all of the information and notes required for complete financial statements. In the opinion of CoreCard management, these Consolidated Financial Statements contain all adjustments (which comprise only normal and recurring accruals) necessary to present fairly the financial position and results of operations as of and for the three and nine month periods ended September 30, 2024 and 2023. The interim results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the full year. These statements should be read in conjunction with our Consolidated Financial Statements and notes thereto for the fiscal year ended December 31, 2023, as filed in our Annual Report on Form 10-K.

There have been no material changes in the Company’s significant accounting policies during the first nine months of 2024 as compared to the significant accounting policies described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 (the “2023 Form 10-K”).

Recent Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, Improvements to Reportable Segment Disclosures (Amendments to Topic 280). This standard was issued to improve the disclosures about reportable segments and address requests from investors for additional, more detailed information about a reportable segment’s expenses by requiring disclosure of incremental segment information on an annual and interim basis to enable investors to develop more decision-useful financial analyses. Topic 280 currently requires certain information about its reportable segments. The amendments in the ASU do not change or remove those disclosure requirements. The amendments in this ASU are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of the ASU is on a retrospective basis. We will adopt the updated accounting guidance in our Annual Report on Form 10-K for the year ended December 31, 2024. We are currently evaluating the impact the adoption of the new accounting guidance will have on our segment disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This standard was issued to enhance the transparency and decision usefulness of income tax disclosures to provide information to better assess how an entity’s operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. The amendments in this ASU address transparency about income tax information through disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this ASU are effective for annual periods beginning after December 15, 2024. The ASU should be applied on a prospective basis. Retrospective application is permitted. We will adopt the updated accounting guidance in our Annual Report on Form 10-K for the year ended December 31, 2025. We are currently evaluating the impact the adoption of the new accounting guidance will have on our income tax disclosures.

We have considered all other recently issued accounting pronouncements and do not believe the adoption of such pronouncements will have a material impact on our Consolidated Financial Statements.

2. REVENUE

Disaggregation of Revenue

In the following table, revenue is disaggregated by type of revenue for the three and nine months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
License	$ 1,420	$ -	$ 1,420	$ 1,794
Professional services	7,006	6,432	19,805	22,127
Processing and maintenance	6,067	5,814	17,912	16,933
Third party	1,210	1,153	3,439	2,993
Total	$ 15,703	$ 13,399	$ 42,576	$ 43,847

Foreign revenues are based on the location of the customer. Revenues from customers by geographic area for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
United States	$ 14,997	$ 12,777	$ 40,754	$ 42,307
Middle East	678	588	1,740	1,452
European Union	28	34	82	88
Total	$ 15,703	$ 13,399	$ 42,576	$ 43,847

Concentration of Revenue

The following table indicates the percentage of consolidated revenue represented by each customer that represented more than 10 percent of consolidated revenue in the three and nine month periods ended September 30, 2024 and 2023. Most of our customers have multi-year contracts with recurring revenue as well as professional services fees that vary by period depending on their business needs.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Customer A	64%	62%	62%	68%

3. NOTES RECEIVABLE

In February 2021, we entered into and advanced a $ 550,000 Promissory Note with a privately held technology company and program manager in the FinTech industry. The note had an interest rate of 4.6 percent annually and was paid in full in August 2023. In 2023, we entered into and advanced $650,000 on a Promissory Note with a maturity date of October 2025 and an annual interest rate of 5.25 percent. In the first quarter of 2024, we entered into and advanced a $200,000 Promissory Note with a maturity date of October 2025 and an annual interest rate of 5.25 percent. The carrying value of the current portion of our notes receivable of $240,000 at September 30, 2024, is included in other current assets on the Consolidated Balance Sheets. The carrying value of the noncurrent portion of our note receivable of $403,000 as of September 30, 2024 is included in other long-term assets on the Consolidated Balance Sheets.

4. INVESTMENTS

We hold a 26.5 percent ownership interest in a privately held identity and professional services company with ties to the FinTech industry. The carrying value of our investment was $3,378,000 at September 30, 2024, included in investments on the Consolidated Balance Sheets. We account for this investment using the equity method of accounting which resulted in losses of $90,000 and $528,000 for the three and nine months ended September 30, 2024, respectively, and losses of $15,000 and $701,000 for the three and nine months ended September 30, 2023, respectively, included in investment income (loss) on the Consolidated Statement of Operations. We evaluate on a continuing basis whether any impairment indicators are present that would require additional analysis or write-downs of the investment. While we have not recorded an impairment related to this investment as of September 30, 2024, variations from current expectations could result in future impairment charges. At September 30, 2024, the carrying value of this investment exceeded our share of the investee's net assets by approximately $2.8 million. Substantially all of this difference is comprised of goodwill and other intangible assets.

In the second quarter of 2021, we invested $ 1,000,000 in a privately held company that provides supply chain and receivables financing. During the third quarter of 2023, due to the failure of the business to successfully monetize its product offerings, we recorded an impairment charge of $1,000,000 included in investment income (loss) on the Consolidated Statement of Operations, to reduce the carrying value of the investee company to $0 as of September 30, 2023. In the third quarter of 2024, after the investee company signed its first revenue contracts, we invested an additional $98,000 as part of a Series A-2 financing.

5. STOCK-BASED COMPENSATION

At September 30, 2024, we had two stock-based compensation plans in effect. We record compensation cost related to unvested stock awards by recognizing the unamortized grant date fair value on a straight-line basis over the vesting periods of each award. We have estimated forfeiture rates based on our historical experience. Stock option compensation expense for the three and nine month periods ended September 30, 2024 and 2023 has been recognized as a component of general and administrative expenses and development expenses in the accompanying Consolidated Financial Statements. We recorded $274,000 and $0 of stock-based compensation expense for the three months ended September 30, 2024 and 2023, respectively, and $859,000 and $150,000 for the nine months ended September 30, 2024 and 2023, respectively.

Stock Options

As of September 30, 2024, there was no unrecognized compensation cost related to stock options. There were no options exercised during the three and nine months ended September 30, 2024. No options expired unexercised during the quarter. The following table summarizes options as of September 30, 2024:

Options Outstanding and Exercisable:

Range of Exercise Price	Number Outstanding	Wgt. Avg. Contractual Life Remaining (in years)	Wgt. Avg. Exercise Price	Aggregate Intrinsic Value
$3.50 - $3.86	13,000	2.5	$ 3.75	$ 140,020
$7.80	8,000	3.7	$ 7.80	$ 53,760
$19.99	30,000	4.3	$ 19.99	$ -
$39.11	8,000	4.7	$ 39.11	$ -
$3.50 - $39.11	59,000	3.9	$ 17.35	$ 193,780

The estimated fair value of options granted is calculated using the Black-Scholes option pricing model with assumptions as previously disclosed in our 2023 Form 10-K.

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the Company's closing stock price on the last trading day of the third quarter of 2024 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on September 30, 2024. The amount of aggregate intrinsic value will change based on the market value of the Company's stock.

Restricted Stock Units

Restricted Stock Units, or RSUs, generally vest at the end of a three-year vesting period. A summary of the Company's RSU activity was as follows:

	Number of Restricted Stock Units	**Weighted-average grant date fair value per share**
Balance as of December 31, 2023	-	$ -
Granted	287,485	12.34
Vested	-	-
Canceled and forfeited	(2,473)	12.34
Balance as of September 30, 2024	285,012	$ 12.34

As of September 30, 2024, unrecognized compensation costs related to unvested RSUs was $ 2.6 million, which we expect to recognize over a weighted-average period of 2.4 years. In October 2024, we granted an additional 198,912 RSUs to long-term employees at a grant date fair value of $2.6 million that vest at the end of a three-year vesting period.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of cash and cash equivalents, marketable securities, accounts receivable, notes receivable, accounts payable and certain other financial instruments (such as accrued expenses, and other current liabilities) included in the accompanying Consolidated Balance Sheets approximates their fair value principally due to the short-term maturity of these instruments.

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash, marketable securities, trade accounts and notes receivable. Our available cash is held in accounts managed by third-party financial institutions. Cash may exceed the Federal Deposit Insurance Corporation, or FDIC, insurance limits. While we monitor cash balances on a regular basis and adjust the balances as appropriate, these balances could be impacted if the underlying financial institutions fail. To date, we have experienced no loss or lack of access to our cash; however, we can provide no assurances that access to our cash will not be impacted by adverse conditions in the financial markets.

7. FAIR VALUE MEASUREMENTS

In determining fair value, the Company uses quoted market prices in active markets. GAAP establishes a fair value measurement framework, provides a single definition of fair value, and requires expanded disclosure summarizing fair value measurements. GAAP emphasizes that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability.

GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are based on data obtained from sources independent of the Company that market participants would use in pricing the asset or liability. Unobservable inputs are inputs that reflect the company’s assumptions about the estimates market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is measured in three levels based on the reliability of inputs:

• Level 1
Valuations based on quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments.

• Level 2
Valuations based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets or liabilities.

• Level 3
Valuations derived from other valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and not based on market, exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and significant professional judgment is needed in determining the fair value assigned to such assets or liabilities.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of equity method investments has not been determined as it was impracticable to do so due to the fact that the investee companies are relatively small, early stage private companies for which there is no comparable valuation data available without unreasonable time and expense.

The following tables present the fair value hierarchy for assets and liabilities measured at fair value:

	September 30, 2024			
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Cash equivalents				
Money market accounts	$ 16,805	$ –	$ –	$ 16,805
Marketable securities				
Corporate, municipal debt and treasury securities	5,511	–	–	5,511
Total assets	$ 22,316	$ –	$ –	$ 22,316

The Company classifies money market funds, commercial paper, U.S. government securities, asset-backed securities and corporate securities within Level 1 or Level 2 of the fair value hierarchy because the Company values these investments using quoted market prices or alternative pricing sources and models utilizing market observable inputs.

There were no transfers of financial instruments between the fair value hierarchy levels during the nine months ended September 30, 2024 or 2023.

8. MARKETABLE SECURITIES

The amortized cost, unrealized gain (loss), and estimated fair value of the Company's investments in securities available for sale consisted of the following:

	September 30, 2024			
(In thousands)	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Marketable securities				
Corporate, municipal debt and treasury securities	$ 5,321	$ 190	$ –	$ 5,511

The Company had one marketable security in an unrealized loss position as of September 30, 2024. The Company did not identify any marketable securities that were other-than-temporarily impaired as of September 30, 2024 and 2023. The Company does not intend to sell any marketable securities that have an unrealized loss at September 30, 2024 and it is not more likely than not that the Company will be required to sell such securities before any anticipated recovery.

The following table summarizes the stated maturities of the Company's marketable securities:

	September 30, 2024		December 31, 2023	
(In thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	$ 1,229	$ 1,271	$ 1,506	$ 1,556
Due after one year through three years	4,092	4,240	3,607	3,674
Total	$ 5,321	$ 5,511	$ 5,113	$ 5,230

9. COMMITMENTS AND CONTINGENCIES

Leases

We have noncancelable operating leases for offices and data centers expiring at various dates through March 2029. These operating leases are included in other long-term assets on the Company's September 30, 2024 and December 31, 2023 Consolidated Balance Sheets and represent the Company's right to use the underlying asset for the lease term. The Company's obligation to make lease payments are included in other current liabilities and long-term lease obligation on the Company's September 30, 2024 and December 31, 2023 Consolidated Balance Sheets. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Because the rate implicit in each lease is not readily determinable, the Company uses its incremental borrowing rate to determine the present value of the lease payments.

Supplemental Information–Leases

Supplemental information related to our right-of-use assets and related lease liabilities is as follows:

	September 30, 2024	December 31, 2023
Right-of-use asset, net and lease liabilities (in thousands)	$ 3,049	$ 2,003
Weighted average remaining lease term (years)	3.4	2.8
Weighted average discount rate	6.4%	3.4%

For the nine-months ended September 30, 2024 and 2023, cash paid for operating leases included in operating cash flows was $ 1,005,000 and $994,000, respectively.

Maturities of our operating lease liabilities as of September 30, 2024 is as follows:

	Operating Leases (in thousands)
2024	$ 362
2025	1,133
2026	1,045
2027	521
2028	440
Thereafter	111
Total lease liabilities	$ 3,612

Lease expense for the three and nine months ended September 30, 2024 and 2023 consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Cost of Revenue	$ 209	$ 187	$ 594	$ 557
General and Administrative	121	116	359	339
Development	32	28	68	109
Total	$ 362	$ 331	$ 1,021	$ 1,005

Legal Matters

There are no pending or threatened legal proceedings. However, in the ordinary course of business, from time to time we may be involved in various pending or threatened legal actions. The litigation process is inherently uncertain, and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. We accrue for unpaid legal fees for services performed to date.

10. INCOME TAXES

We recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are recognized, net of a valuation allowance, for the estimated future tax effects of deductible temporary differences and tax credit carry-forwards. A valuation allowance against deferred tax assets is recorded when, and if, based upon available evidence, it is more likely than not that some or all deferred tax assets will not be realized.

There were no unrecognized tax benefits at September 30, 2024 and December 31, 2023. Our policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. There were no accrued interest or penalties associated with any unrecognized tax benefits, nor was any interest expense recognized during the periods presented. We have determined we have no uncertain tax positions.

We file a consolidated U.S. federal income tax return for all subsidiaries in which our ownership equals or exceeds 80%, as well as individual subsidiary returns in various states and foreign jurisdictions. With few exceptions we are no longer subject to U.S. federal, state and local or foreign income tax examinations by taxing authorities for returns filed more than three years ago.

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

In addition to historical information, this Form 10-Q may contain forward-looking statements relating to CoreCard. All statements, trend analyses and other information relative to markets for our products and trends in revenue, gross margins and anticipated expense levels, as well as other statements including words such as "anticipate", "believe", "plan", "estimate", "expect", "intend", and other similar expressions, constitute forward-looking statements. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties including those factors described below under "Factors That May Affect Future Operations", and that actual results may differ materially from those contemplated by such forward-looking statements. CoreCard undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results.

For purposes of this discussion and analysis, we are assuming and relying upon the reader's familiarity with the information contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, in the Form 10- K for the year ended December 31, 2023 as filed with the Securities and Exchange Commission.

Overview

CoreCard Corporation, a Georgia corporation, and its predecessor companies have operated since 1973 and its securities have been publicly traded since 1980. In this report, sometimes we use the terms "Company", "CoreCard", "us", "ours", "we", "Registrant" and similar words to refer to CoreCard Corporation and subsidiaries. Our executive offices are located in Norcross, Georgia and our website is www.corecard.com.

We are primarily engaged in the business of providing technology solutions and processing services to the financial technology and services market, commonly referred to as the FinTech industry. Our revenue comes from a number of different offerings to companies in that industry, including the following:

- Licenses which allow a customer to use our software for a specified number of active accounts on the system;
- Professional services for development of new features or system functionality;
- Support and maintenance services tied to the number of active accounts under license; and
- Processing services based on the number of active accounts on the system.

Our operations are conducted through our affiliate companies located in Romania, India, the United Arab Emirates and Colombia, as well as our corporate office in Norcross, Georgia which provides significant administrative, human resources and executive management support. CoreCard's foreign subsidiaries that perform software development and testing as well as processing operations support are CoreCard SRL in Romania, CoreCard Software Pvt Ltd in India, CoreCard Colombia SAS in Colombia and CoreCard Software DMCC in the United Arab Emirates.

Our results vary in part depending on the size and number of software licenses recognized as well as the value and number of professional services contracts recognized in a particular period. As we continue to grow our Processing Services business, we continue to gain economies of scale on the investments we have made in the infrastructure, resources, processes and software features developed over the past number of years to support this growing side of our business. We are adding new processing customers at a faster pace than we are adding new license customers, resulting in steady growth in the processing revenue stream.

We also receive license revenue and professional services revenue, including such revenue from Goldman Sachs Group, Inc. ("Goldman"), which was added as a customer in 2018 and is referred to as "Customer A" in the Notes to Consolidated Financial Statements. In total, this customer represented 62% and 68% of our consolidated revenues in the first nine months of 2024 and 2023, respectively. On October 23, 2024, we executed an Omnibus Amendment with Goldman covering the following agreements between the Company and Goldman:

- Software License and Support Agreement, dated as of October 16, 2018 (the "SLSA");
- Master Professional Services Agreement, dated as of August 1, 2019 (the "MPSA", and together with the SLSA, the "Agreements");
- Schedule of Work No. 1 to Professional Services Agreement, dated as of August 1, 2019, and Amendment No. 2 to Schedule of Work No. 1, dated as of January 13, 2021 ("SOW 1"); and
- Schedule of Work No. 2 to Professional Services Agreement, dated as of August 1, 2019, and Amendment No. 2 to Schedule of Work No. 2, dated as of January 13, 2021 ("SOW 2", and together with SOW 1, the "SOWs").

The Amendment, which is effective as of October 23, 2024, extends the Support Services term of the SLSA through December 31, 2030, and extends the term of the SOWs through December 31, 2030. Among other things, the Amendment also (i) provides for increased monthly fees under SOW 2 starting January 2025, and (ii) allows Goldman to terminate the agreements no earlier than January 1, 2027, with termination payments due if terminated prior to December 31, 2030. All other material terms of the Agreements and SOWs, as amended, remain unchanged.

The amount and timing of future revenues from Goldman will be dependent on various factors not in our control such as the number of accounts on file and the level of customization needed by the customer and whether the customer continues the credit card line of business. License revenue from this customer, similar to other license arrangements, is tiered based on the number of active accounts on the system. Once the customer achieves each tier level, they receive a perpetual license up to that number of accounts; inactive accounts do not count toward the license tier. The customer receives an unlimited perpetual license at a maximum tier level that allows them to utilize the software for any number of active accounts. Support and maintenance fees are charged based on the tier level achieved and increase at new tier levels.

Goldman recently announced the transition of its General Motors co-branded credit card to a new issuer, which is processed under our agreement with Goldman, with an expected close in 2025. Sale of the loans by Goldman will not affect the maintenance revenue that we receive under the agreement, which is set based on the most recently achieved license tier. However, the removal of active accounts following a sale of the loans will proportionately increase the number of accounts that will need to be added to earn the license fees attributable to the next license tier under the agreement. Additionally, selling one of their two portfolios could make it more likely that Goldman will exit the credit card business.

The infrastructure of our multi customer environment is designed to be scalable for the future. A significant portion of our expense is related to personnel, including approximately 1,000 employees located in India, Romania, the United Arab Emirates and Colombia. In October 2020, we opened a new office in Dubai, the United Arab Emirates to support CoreCard’s expansion of processing services into new markets in the Asia Pacific, Middle East, Africa and European regions. In October 2021, we opened a new location in Bogotá, Colombia to support existing customers and continued growth. Our ability to hire and train employees on our processes and software impacts our ability to onboard new customers and deliver professional services for software customizations. In addition, we have certain corporate office expenses associated with being a public company that impact our operating results.

Our revenue fluctuates from period to period and our results are not necessarily indicative of the results to be expected in future periods. It is difficult to predict the level of consolidated revenue on a quarterly or annual basis for a number of reasons, including the following:

- Software license revenue in a given period may consist of a relatively small number of contracts and contract values can vary considerably depending on the software product and scope of the license sold. Consequently, even minor delays in delivery under a software contract (which may be out of our control) could have a significant and unpredictable impact on the consolidated revenue that we recognize in a given quarterly or annual period.

- Customers may decide to postpone or cancel a planned implementation of our software for any number of reasons, which may be unrelated to our software or contract performance, but which may affect the amount, timing and characterization of our deferred and/or recognized revenue.

- Customers typically require our professional services to modify or enhance their CoreCard software implementation based on their specific business strategy and operational requirements, which vary from customer to customer and period to period.

- The timing of new processing customer implementations is often dependent on third party approvals or processes which are typically not under our direct control.

We continue to believe that we have a strong cash position, and we intend to use cash balances to support the domestic and international operations associated with our CoreCard business and to expand our operations in the FinTech industry through financing the growth of CoreCard and, if appropriate opportunities become available, through acquisitions of businesses in this industry. In May 2022, the Board of Directors of the Company (the “Board”) authorized a new $20 million share repurchase program, and we had approximately $9.3 million of authorized share repurchases remaining as of September 30, 2024.

Results of Operations

The following discussion should be read in conjunction with the unaudited Consolidated Financial Statements and the Notes to Consolidated Financial Statements presented in this quarterly report.

Revenue – Total revenue in the three and nine month periods ended September 30, 2024 was $15,703,000 and $42,576,000, respectively, which represents an increase of 17% and a decrease of 3% percent compared to the respective periods in 2023.

- Revenue from services was $14,283,000 and $41,156,000 in the three and nine month periods ended September 30, 2024, respectively, which represents an increase of 7% percent and a decrease of 2% percent compared to the respective periods in 2023. Revenue for the third quarter of 2024 was higher compared to the third quarter of 2023 due to an increase in the number and value of professional services contracts completed during the third quarter of 2024 and increased revenue from transaction processing services and software maintenance and support services in the third quarter of 2024 as compared to the third quarter of 2023 due to an increase in the number of customers and accounts on file. Revenue from transaction processing services, software maintenance and support services were greater in the first nine months of 2024 as compared to the first nine months of 2023, due to an increase in the number of customers and accounts on file and the acceleration of approximately $500,000 of processing revenue from a customer that was acquired in 2023 and, as a result, formally terminated their contract in the first quarter of 2024. This increase was offset by a decrease in the number and value of professional services contracts completed during the first nine months of 2024, primarily related to lower professional services revenue from our largest customer, Goldman Sachs Group, Inc. We expect that processing services will continue to grow as our customer base increases; however, the time required to implement new customer programs could be delayed due to third party integration and approval processes and other factors. It is difficult to predict with accuracy the number and value of professional services contracts that our customers will require in a given period. Customers typically request our professional services to modify or enhance their CoreCard software implementation based on their specific business strategy and operational requirements, which vary from customer to customer and period to period.

- Revenue from products, which is primarily software license fees, was $1,420,000 in both the three and nine month periods ended September 30, 2024, compared to $0 and $1,794,000 in the respective comparable periods of 2023.

Cost of Revenue – Total cost of revenue was 57 percent and 65 percent of total revenue in the three and nine month periods ended September 30, 2024, respectively, compared to 69 percent and 65 percent of total revenue in the corresponding periods of 2023. For the three-month period ended September 30, 2024, the decrease in cost of revenue as a percentage of revenue is primarily driven by higher license revenue. Cost of revenue includes costs to provide annual maintenance and support services to our installed base of licensed customers, costs to provide professional services, and costs to provide our financial transaction processing services. The cost and gross margins on such revenues can vary considerably from period to period depending on the customer mix, customer requirements and project complexity as well as the mix of our U.S. and offshore employees working on the various aspects of services provided. In addition, we continue to devote the resources necessary to support our growing processing business, including direct costs for regulatory compliance, infrastructure, network certifications, and customer support. Investments in our infrastructure are in anticipation of adding customers in future periods. As such, we will not experience economies of scale unless we add additional customers, as anticipated. This may be subject to change in the future if new regulations or processing standards are implemented causing us to incur additional costs to comply.

Operating Expenses – In the three month and nine month period ended September 30, 2024, total operating expenses from consolidated operations were higher by 6% and were flat compared to the corresponding period in 2023, respectively. In the three month period ended September 30, 2024, total operating expenses from consolidated operations were higher than in the corresponding period in 2023 primarily due to higher general and administrative expenses. General and administrative expenses were 16 percent higher in the three-month period ended September 30, 2024 primarily due to higher bonus accruals. Marketing expenses increased 25 percent and 30 percent for the three and nine month periods in 2024, respectively. Our client base continues to increase with minimal marketing efforts as we continue to have prospects contact us via online searches; however, we will continue to re-evaluate our marketing expenditures as needed to competitively position the Processing Services business.

Investment Income (Loss) – In the three and nine months ended September 30, 2024, we recorded $90,000 and $528,000 of investment loss, respectively, compared to investment losses of $1,015,000 and $1,701,000 for the three and nine months ended September 30, 2023, respectively. The investment losses in 2024 relate to losses on our equity method investment. The investment losses in 2023 relate to a third quarter impairment charge on a cost method investment and losses on our equity method investment in a privately held identity and professional services company with ties to the FinTech industry (see Note 4). The privately held company has incurred losses as they invest in future growth.

Other Income (Loss) – In the three and nine months ended September 30, 2024, we recorded income of $233,000 and $758,000, respectively, compared to income of $308,000 and $653,000 for the comparable 2023 periods.

Income Taxes – Our effective tax rates for the three and nine months ended September 30, 2024 were 25.0 percent and 24.9 percent compared to effective tax rates of 24.5 percent and 24.8 percent for the respective periods in 2023.

Liquidity and Capital Resources

Our cash and cash equivalent balance at September 30, 2024 was $22,498,000 compared to $26,918,000 at December 31, 2023. During the nine months ended September 30, 2024, cash provided by operations was $5,039,000 compared to cash provided by operations of $18,252,000 for the nine months ended September 30, 2023. The decrease is primarily due to lower accounts receivable and deferred revenue balances, lower depreciation and amortization and a non-cash impairment charge in the 2023 period that did not recur in 2024, partially offset by higher net income and higher stock compensation expense.

During the nine months ended September 30, 2024, we invested $1,831,000 in publicly traded multi sector corporate and municipal debt and treasury securities, offset by related maturities of $1,728,000, which is described in more detail in Note 8 to the Consolidated Financial Statements.

During the nine months ended September 30, 2024, we used $3,733,000 of cash, compared to $4,845,000 of cash during the nine months ended September 30, 2023, to acquire computer equipment and related software and for personnel and contractor development costs for the development of a new processing platform, to enhance our existing processing environment in the U.S., and a new data center in India for international operations.

We expect to have sufficient liquidity from cash on hand as well as projected customer payments to support our operations and capital equipment purchases in the foreseeable future. Currently we expect to use cash in excess of what is required for our current operations for opportunities we believe will expand our FinTech business, as exemplified by transactions described in Note 3 and 4 to the Consolidated Financial Statements, although there can be no assurance that appropriate opportunities will arise. In May 2022, the Board authorized an additional $20 million for our share repurchase program. We made share repurchases of $5.4 million for the nine months ended September 30, 2024, and share repurchases of $1.5 million for the nine months ended September 30, 2023. We had approximately $9.3 million of authorized share repurchases remaining as of September 30, 2024.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements that are reasonably likely to have a current or future material effect on our financial condition, liquidity or results of operations.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based upon our Consolidated Financial Statements which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses. We consider certain accounting policies related to revenue recognition and valuation of investments to be critical policies due to the estimation processes involved in each. Management discusses its estimates and judgments with the Audit Committee of the Board of Directors. For a detailed description on the application of these and other accounting policies, see Note 1 to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Form 10-K"). Reference is also made to the discussion of the application of these critical accounting policies and estimates contained in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2023 Form 10-K. During the nine-month period ended September 30, 2024, there were no significant or material changes in the application of critical accounting policies.

Factors That May Affect Future Operations

Future operations are subject to risks and uncertainties that may negatively impact our future results of operations or projected cash requirements. It is difficult to predict future quarterly and annual results with certainty.

Among the numerous factors that may affect our consolidated results of operations or financial condition are the following:

- Goldman Sachs Group, Inc., our largest customer, represented 62% of our consolidated revenues for the nine months ended September 30, 2024. In the event of material failures to meet contract obligations related to the services provided, there is risk of breach of contract and loss of the customer and related future revenues. Additionally, loss of the customer and related future revenues or a reduction in revenues could result if they or their customers choose an alternative service provider, build an in-house solution, or decide to exit the business or service line that falls under the services that we provide for them. Goldman Sachs Group, Inc. recently announced the transition of its General Motors co-branded credit card to a new issuer, with an expected close in 2025, which could make it more likely that they exit the credit card business. The General Motors program was added to their portfolio in the first quarter of 2022.

- Weakness or instability in the global financial markets could have a negative impact due to potential customers (most of whom perform some type of financial services) delaying decisions to purchase software or initiate processing services.
- Increased federal and state regulations and reluctance by financial institutions to act as sponsor banks for prospective customers could result in losses and additional cash requirements.
- Delays in software development projects could cause our customers to postpone implementations or delay payments, which would increase our costs and reduce our revenue and cash.
- We could fail to deliver software products which meet the business and technology requirements of our target markets within a reasonable time frame and at a price point that supports a profitable, sustainable business model.
- Our processing business is impacted, directly or indirectly, by more regulations than our licensed software business. If we fail to provide services that comply with (or allow our customers to comply with) applicable regulations or processing standards, we could be subject to financial or other penalties that could negatively impact our business.
- A security breach in our platform could expose confidential information of our customers' account holders, hackers could seize our digital infrastructure and hold it for ransom or other cyber risk events could occur and create material losses in excess of our insurance coverage.
- Software errors or poor-quality control may delay product releases, increase our costs, result in non-acceptance of our software by customers or delay revenue recognition.
- We could fail to expand our base of customers as quickly as anticipated, resulting in lower revenue and profits and increased cash needs.
- We could fail to retain key software developers and managers who have accumulated years of know-how in our target markets and company products or fail to attract and train a sufficient number of new software developers and testers to support our product development plans and customer requirements at projected cost levels.
- Increasing and changing government regulations in the United States and foreign countries related to such issues as data privacy, financial and credit transactions could require changes to our products and services which could increase our costs and could affect our existing customer relationships or prevent us from getting new customers.
- Delays in anticipated customer payments for any reason would increase our cash requirements and could adversely impact our profits.
- Competitive pressures (including pricing, changes in customer requirements and preferences, and competitor product offerings) may cause prospective customers to choose an alternative product solution, resulting in lower revenue and profits (or losses).
- Our future capital needs are uncertain and depend on a number of factors; additional capital may not be available on acceptable terms, if at all.
- Volatility in the markets, including as a result of political instability, civil unrest, war or terrorism, or pandemics or other natural disasters, such as the recent outbreak of coronavirus, could adversely affect future results of operations and could negatively impact the valuation of our investments.
- Other general economic and political conditions could cause customers to delay or cancel purchases.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective. There were no significant changes in the Company's internal control over financial reporting or in other factors identified in connection with this evaluation that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in certain claims and litigation arising out of the ordinary course and conduct of business. Management assesses such claims and, if it considers that it is probable that an asset had been impaired or a liability had been incurred and the amount of loss can be reasonably estimated, provisions for loss are made based on management's assessment of the most likely outcome. We are not currently a party to or aware of any proceedings that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition, or results of operations.

Item 1A. Risk Factors

As a smaller reporting company, we are not required to make disclosures under this Item.

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

Repurchases of Securities

In May 2022, the Board authorized an additional $20 million for our share repurchase program. Under this program, which was publicly announced in November 2018, we are authorized to repurchase shares through open market purchases, privately-negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The repurchase program does not have an expiration date and may be suspended or discontinued at any time. We had approximately $9.3 million of authorized share repurchases remaining at September 30, 2024.

The following table sets forth information regarding our purchases of shares of our common stock during the three months ended September 30, 2024:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
July 1, 2024 to July 31, 2024	–	$ –	–	$ 10,977,000
August 1, 2024 to August 31, 2024	79,422	13.27	79,422	9,923,000
September 1, 2024 to September 30, 2024	43,948	14.95	43,948	9,266,000
Total	123,370		123,370	

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the fiscal quarter ended September 30, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “Non-Rule 10b5-1 trading arrangement” as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed or furnished with this report:

10.1	Omnibus Amendment No. 2 to GS-CoreCard Agreements
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer furnished as required by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	XBRL Instance
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation
101.DEF**	XBRL Taxonomy Extension Definitions
101.LAB**	XBRL Taxonomy Extension Labels
101.PRE**	XBRL Taxonomy Extension Presentation
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

** XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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, hereunto duly authorized.

CORECARD CORPORATION
Registrant

Date: October 31, 2024

By: */s/ J. Leland Strange*
J. Leland Strange
Chief Executive Officer, President

Date: October 31, 2024

By: */s/ Matthew A. White*
Matthew A. White
Chief Financial Officer

Exhibit 10.1

[***] Certain portions of this exhibit have been omitted because they are not material and the registrant customarily and actually treats that information as private or confidential.

OMNIBUS AMENDMENT No. 2 TO GS-CORECARD AGREEMENTS

This Omnibus Amendment No. 2 to GS-CoreCard Agreements (this " **Amendment**") is entered into effective as of the date of last signature (the "**Amendment Effective Date**"), by and between The Goldman Sachs Group, Inc. (" **GS**"), and CoreCard Software, Inc. ("**CoreCard**") (each, a "**Party**" and together, the "**Parties**").

GS and CoreCard hereby agree as follows:

1. BACKGROUND AND DEFINED TERMS

(a) GS-CoreCard Agreements. GS and CoreCard are parties to the following agreements, as they may have been previously amended (including as noted below):

(i) Software License and Support Agreement effective as of October 16, 2018 (the " **SLSA**");

(ii) Master Professional Services Agreement effective as of August 1, 2019 (the " **MPSA**");

(iii) Schedule of Work No. 1 (Schedule of Work for Ongoing Services (Development)) effective as of August 1, 2019 and entered into pursuant to the MPSA (the "**Development SOW**"); and

(iv) Schedule of Work No. 2 (Schedule of Work for Ongoing Services (Managed Services)) effective as of August 1, 2019 and entered into pursuant to the MPSA (the "**Managed Services SOW**").

The agreements listed in the foregoing subsections (i) through (iv) are collectively the " **GS-CoreCard Agreements.**"

(b) Previous Amendments. The Parties amended the GS-CoreCard Agreements from time to time, including under the Omnibus Amendment to GS-CoreCard Agreements, effective as of July 1, 2023 ("**Amendment No. 1**").

(c) Amendment. Pursuant to Section 10.5 of the SLSA and Section 10.5 of the MPSA, the Parties desire to amend the GS-CoreCard Agreements as set forth in this Amendment. This Amendment hereby amends and revises the GS-CoreCard Agreements to incorporate the terms and conditions set forth in this Amendment. If there is a conflict between the terms of this Amendment and the terms of any GS-CoreCard Agreement, the terms of this Amendment will control. The relationship of the Parties will continue to be governed by the terms of the GS-CoreCard Agreements, as amended hereby.

(d) Defined Terms. Capitalized terms used herein will have the meanings ascribed to them in the GS-CoreCard Agreements unless expressly defined herein. For clarity, references in this Amendment to "CoreCard" mean, as applicable, Licensor under the SLSA and Consultant under the MPSA, the Development SOW and the Managed Services SOW.

2. AMENDMENTS

(a) Term Extensions.

(i) *SLSA*. The Initial Support Services Term of the SLSA is extended until and through December 31, 2030. [***]

(ii) *Development SOW*. The SOW Term of the Development SOW is extended until and through December 31, 2030. [***]

(iii) *Managed Services SOW*. The SOW Term of the Managed Services SOW is extended until and through December 31, 2030. [***]

(b) Fees.

(i) *Managed Services SOW*. Effective January 1, 2025, Section 2(e)(ii)(D) of Amendment No. 1 (amending the Managed Services SOW) is hereby deleted in its entirety and replaced with the following:

"(D) "**Fixed Managed Services Fees**" means an amount per month according to the following table: [***]

(c) Transition Assistance.

(i) [***]

(ii) [***]

(d) Termination for Convenience; Termination Charge.

(i) *SLSA*.

[***]

(ii) *MPSA*.

[***]

(iii) *Managed Services SOW Termination Charge*. GS shall not have the right to terminate the Managed Services SOW pursuant to Section 9.2(i) of the MPSA with an effective date prior to January 1, 2027. In the event GS terminates the Managed Services SOW pursuant to Section 9.2(i) of the MPSA effective any time between January 1, 2027, and December 31, 2030, it shall pay to CoreCard a termination charge in an amount that corresponds to the month in which the termination becomes effective according to the following table ("Termination Charge"): [***]

(e) [***]

(f) Source Code Release Condition. Section 8.2 of the SLSA is hereby amended to add a new Section 8.2(h) as follows:

> "(h) Licensor has committed Special SLA Breaches with respect to more than half of the Special SLAs (which need not be the same Special SLAs breached from month to month) in any consecutive three (3) month period."

(g) [***]

3. ENTIRE AGREEMENT

This Amendment and the GS-CoreCard Agreements constitute the entire agreement between the Parties in connection with the subject matter of this Amendment and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties related to the subject-matter hereof.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, GS and CoreCard have caused this Amendment to be executed by their duly authorized representatives, effective as of the Amendment Effective Date.

THE GOLDMAN SACHS GROUP, INC.		**CORECARD SOFTWARE, INC.**	
By:	/s/ Elizabeth Overbay	By:	/s/ Matt White
Name:	Elizabeth Overbay	Name:	Matt White
Title:	Authorized Person	Title:	CFO
Date:	10/23/2024	Date:	10/17/2024

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, J. Leland Strange, certify that:

1. I have reviewed this report on Form 10-Q of CoreCard Corporation;

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

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

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

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

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

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

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

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

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

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

Date: October 31, 2024

/s/ J. Leland Strange
J. Leland Strange
Chairman of the Board, President
and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew A. White, certify that:

1. I have reviewed this report on Form 10-Q of CoreCard Corporation;

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

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

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

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

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

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

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

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

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

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

Date: October 31, 2024

/s/ Matthew A. White
Matthew A. White
Chief Financial Officer

Exhibit 32.1

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

Each of the undersigned officers of CoreCard Corporation (the “Company”) hereby certifies to his or her knowledge that the Company’s report on Form 10-Q for the period ended September 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 31, 2024

/s/ J. Leland Strange
J. Leland Strange
Chief Executive Officer

/s/ Matthew A. White
Matthew A. White
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to CoreCard Corporation and will be retained by CoreCard Corporation and furnished to the Securities and Exchange Commission or its staff upon request.