

REFINITIV

DELTA REPORT

10-Q

EVTC - EVERTEC, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 2123

■ CHANGES	263
■ DELETIONS	546
■ ADDITIONS	1314

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended **September 30, 2023** **March 31, 2024** or

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

For the transition period from _____ to _____

COMMISSION FILE NUMBER 001-35872

EVERTEC, Inc.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Puerto Rico **66-0783622**

(State or other jurisdiction of
incorporation or organization) **(I.R.S. employer
identification number)**

Cupey Center Building, Road 176, Kilometer 1.3,
San Juan, Puerto Rico **00926**
(Address of principal executive offices) **(Zip Code)**

(787) 759-9999
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	EVTC	New York Stock Exchange

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

At **October 20, 2023** **April 25, 2024**, there were **64,630,922** **64,409,434** outstanding shares of common stock of EVERTEC, Inc.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Report") contains "forward-looking statements" within the meaning of, and subject to the protection of, the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact contained in this Report, including, without limitation, statements regarding our position as a leader within our industry; our future results of operations and financial position; our business strategies; objectives of management for future operations, including, among others, statements regarding our expected growth, international expansion and future capital expenditures; the impact of market conditions and other macroeconomic factors on our business, financial condition and results of operations; the timing and anticipated outcome of the accelerated share repurchase agreement; the sufficiency of our cash and cash equivalents; our future capital expenditures and debt service obligations; and the expectations, anticipated benefits of and costs associated with acquisitions, are forward-looking statements.

Words such as "believes," "expects," "anticipates," "intends," "projects," "estimates," and "plans" and similar expressions of future or conditional verbs such as "will," "should," "would," "may," and "could" or the negatives of **theses** **these** terms or variations of them or similar terminology are generally forward-looking in nature and not historical facts.

Readers are cautioned that any such forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements as a result of various factors. Among the factors that significantly impact our business and could impact our business in the future are:

- our reliance on our relationship with Popular, Inc. ("Popular") for a significant portion of our revenues pursuant to our second ~~amended~~ Amended and ~~restated~~ Restated Master Services Agreement ("~~A&R~~ MSA") with them, and as it may impact our ability to grow our business;
- our ability to renew our client contracts on terms favorable to us, including but not limited to the current term and any extension of the MSA with Popular;
- our dependence on our processing systems, technology infrastructure, security systems and fraudulent payment detection systems, as well as on our personnel and certain third parties with whom we do business, and the risks to our business if our systems are hacked or otherwise compromised;
- our ability to develop, install and adopt new software, technology and computing systems;
- a decreased client base due to consolidations and/or failures in the financial services industry;
- the credit risk of our merchant clients, for which we may also be liable;
- the continuing market position of the ATH network;
- a reduction in consumer confidence, whether as a result of a global economic downturn or otherwise, which leads to a decrease in consumer spending;
- our dependence on credit card associations, including any adverse changes in credit card association or network rules or fees;
- changes in the regulatory environment and changes in macroeconomic, market, international, legal, tax, political, or administrative conditions, including inflation or the risk of recession;
- the geographical concentration of our business in Puerto Rico, including our business with the government of Puerto Rico and its instrumentalities, which are facing severe political and fiscal challenges;
- additional adverse changes in the general economic conditions in Puerto Rico, whether as a result of the government's debt crisis or otherwise, including the continued migration of Puerto Ricans to the U.S. mainland, which could negatively affect our customer base, general consumer spending, our cost of operations and our ability to hire and retain qualified employees;
- operating an international business in Latin America, Puerto Rico and the Caribbean, in jurisdictions with potential political and economic instability;
- the impact of foreign exchange rates on operations;
- our ability to protect our intellectual property rights against infringement and to defend ourselves against claims of infringement brought by third parties;
- our ability to comply with U.S. federal, state, local and foreign regulatory requirements;
- evolving industry standards and adverse changes in global economic, political and other conditions;

- our level of indebtedness and the impact of rising interest rates, restrictions contained in our debt agreements, including the secured credit facilities, as well as debt that could be incurred in the future;
- our ability to ~~protect our IT systems and prevent a cybersecurity attack or breach to our information security;~~
- the possibility that we could lose our preferential tax rate in Puerto Rico;
- ~~failure to satisfy one or more conditions to closing of the Singqia Transaction (as defined below);~~
- our inability to integrate Singqia ~~(as defined below)~~ S.A. ("Singqia") successfully into the Company or to achieve expected accretion to our earnings per common share;

- any loss of personnel or customers in connection with the ~~Transaction~~;
- ~~any cost and other terms of new debt financing incurred Singqia Transaction (as defined below in connection with Note 2 to the Transaction); Unaudited Condensed Consolidated Financial Statements;~~ and
- any possibility of future catastrophic hurricanes, earthquakes and other potential natural disasters affecting our main markets in Latin America, Puerto Rico and the Caribbean.

These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should, therefore, be considered in light of various factors, including those set forth under Part I, Item 1A. "Risk Factors," in our Annual Report on Form 10-K for the year ended ~~December 31, 2022~~ December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on ~~February 24, 2023~~ February 29, 2024, as updated by Part II, Item 1A."Risk Factors" in this Report, and in Part I, Item 2."Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Report, as may be updated in our subsequent filings with the SEC. The Company undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless it is required to do so by ~~law~~ law.

WHERE YOU CAN FIND MORE INFORMATION

All reports we file with the SEC are available free of charge via the Electronic Data Gathering Analysis and Retrieval (EDGAR) System on the SEC's website at www.sec.gov. We also provide copies of our SEC filings at no charge upon request and make electronic copies of our reports available for download through our website at www.evertecinc.com as soon as reasonably practicable after filing such material with the SEC.

EVERTEC, Inc. Unaudited Condensed Consolidated Balance Sheets (In thousands, except share information)

		September 30, 2023	December 31, 2022		
		March 31, 2024		March 31, 2024	December 31, 2023
Assets	Assets				
Current Assets:	Current Assets:				
Current Assets:					
Current Assets:					
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents	Cash and cash equivalents	\$ 177,821	\$ 185,274		
Restricted cash	Restricted cash	20,607	18,428		
Accounts receivable, net	Accounts receivable, net	115,779	111,493		
Settlement assets	Settlement assets	34,771	31,542		
Prepaid expenses and other assets	Prepaid expenses and other assets	53,373	42,392		
Total current assets	Total current assets	402,351	389,129		
Debt securities available-for-sale, at fair value	Debt securities available-for-sale, at fair value	2,079	2,203		
Equity securities, at fair value	Equity securities, at fair value	25,992	—		
Investment in equity investee		20,011	14,661		
Investment in equity investees					
Property and equipment, net	Property and equipment, net	56,957	56,387		
Operating lease right-of-use asset					
Operating lease right-of-use asset					
Operating lease right-of- use asset	Operating lease right-of-use asset	12,523	15,918		
Goodwill	Goodwill	434,496	423,392		

Other intangible assets, net	Other intangible assets, net	220,240	200,320
Deferred tax asset	Deferred tax asset	18,280	5,701
Derivative asset	Derivative asset	11,492	7,440
Net investment in leases		—	14
Other long-term assets			
Other long-term assets			
Other long-term assets	Other long-term assets	17,039	16,578
Total assets	Total assets	\$ 1,221,460	\$1,131,743
Liabilities and stockholders' equity	Liabilities and stockholders' equity		
Current Liabilities:	Current Liabilities:		
Current Liabilities:			
Current Liabilities:			
Accrued liabilities			
Accrued liabilities			
Accrued liabilities	Accrued liabilities	\$ 91,310	\$ 80,666
Accounts payable	Accounts payable	52,403	29,730
Contract liability	Contract liability	14,428	15,226
Income tax payable	Income tax payable	958	9,406
Current portion of long-term debt	Current portion of long-term debt	20,750	20,750
Short-term borrowings	Short-term borrowings	6,000	20,000
Current portion of operating lease liability	Current portion of operating lease liability	5,979	5,936
Current portion of operating lease liability			
Current portion of operating lease liability			
Settlement liabilities	Settlement liabilities	27,684	26,696
Foreign currency swap liability		29,225	—
Total current liabilities			
Total current liabilities			
Total current liabilities	Total current liabilities	248,737	208,410
Long-term debt	Long-term debt	374,656	389,498
Deferred tax liability	Deferred tax liability	10,828	10,111
Contract liability - long term	Contract liability - long term	34,062	34,068
Operating lease liability - long-term	Operating lease liability - long-term	7,045	10,788
Other long-term liabilities	Other long-term liabilities	9,783	4,120
Other long-term liabilities			
Other long-term liabilities			
Total liabilities	Total liabilities	685,111	656,995
Commitments and contingencies (Note 15)			
Commitments and contingencies (Note 14)			
Commitments and contingencies (Note 14)	Commitments and contingencies (Note 14)		

Redeemable non-controlling interests			
Stockholders' equity	Stockholders' equity		
Preferred stock, par value \$0.01; 2,000,000 shares authorized; none issued	Preferred stock, par value \$0.01; 2,000,000 shares authorized; none issued	—	—
Common stock, par value \$0.01; 206,000,000 shares authorized; 64,630,922 shares issued and outstanding as of September 30, 2023 (December 31, 2022 - 64,847,233)	646	648	
Preferred stock, par value \$0.01; 2,000,000 shares authorized; none issued			
Preferred stock, par value \$0.01; 2,000,000 shares authorized; none issued			
Common stock, par value \$0.01; 206,000,000 shares authorized; 64,408,959 shares issued and outstanding as of March 31, 2024 (December 31, 2023 - 65,450,799)			
Additional paid-in capital	Additional paid-in capital	4,403	—
Accumulated earnings	Accumulated earnings	530,714	487,349
Accumulated other comprehensive loss, net of tax		(3,352)	(16,486)
Total EVERTEC, Inc. stockholders' equity		532,411	471,511
Non-controlling interest		3,938	3,237
Accumulated other comprehensive (loss) income, net of tax			
Total stockholders' equity			
Non-redeemable non-controlling interest			
Total equity	Total equity	536,349	474,748
Total liabilities and equity	Total liabilities and equity	\$ 1,221,460	\$1,131,743

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

EVERTEC, Inc. Unaudited Condensed Consolidated Statements of Income and Comprehensive (Loss) Income
(In thousands, except per share information)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022

Revenues (affiliates Note 16)	\$ 173,198	\$ 145,803	\$ 500,088	\$ 456,622
Revenues				
Revenues				
Revenues				
Operating costs and expenses				
Operating costs and expenses				
Operating costs and expenses	Operating costs and expenses			
Cost of revenues, exclusive of depreciation and amortization	Cost of revenues, exclusive of depreciation and amortization	81,280	76,272	238,149
Cost of revenues, exclusive of depreciation and amortization	Cost of revenues, exclusive of depreciation and amortization			215,244
Cost of revenues, exclusive of depreciation and amortization	Cost of revenues, exclusive of depreciation and amortization			
Cost of revenues, exclusive of depreciation and amortization	Cost of revenues, exclusive of depreciation and amortization			
Selling, general and administrative expenses	Selling, general and administrative expenses			
Selling, general and administrative expenses	Selling, general and administrative expenses			
Selling, general and administrative expenses	Selling, general and administrative expenses	30,437	26,001	83,834
Depreciation and amortization	Depreciation and amortization	21,919	19,712	63,680
Depreciation and amortization	Depreciation and amortization			58,432
Depreciation and amortization	Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization			
Total operating costs and expenses	Total operating costs and expenses			
Total operating costs and expenses	Total operating costs and expenses			
Total operating costs and expenses	Total operating costs and expenses	133,636	121,985	385,663
Income from operations	Income from operations	39,562	23,818	114,425
Income from operations	Income from operations			116,510
Income from operations	Income from operations			
Income from operations	Income from operations			
Non-operating income (expenses)	Non-operating income (expenses)			
Non-operating income (expenses)	Non-operating income (expenses)			
Non-operating income (expenses)	Non-operating income (expenses)			
Interest income	Interest income	1,926	807	5,162
Interest income	Interest income			2,279
Interest income	Interest income			
Interest expense	Interest expense			
Interest expense	Interest expense	(5,709)	(6,763)	(16,992)
Interest expense	Interest expense			(18,242)
Loss on foreign currency remeasurement	Loss on foreign currency remeasurement	(2,806)	(7,779)	(7,337)
Loss on foreign currency swap	Loss on foreign currency swap	(29,225)	—	(29,225)
Earnings of equity method investment	Earnings of equity method investment	1,197	688	3,828
Gain on sale of business	Gain on sale of business	—	135,642	—
Loss on foreign currency remeasurement	Loss on foreign currency remeasurement			135,642
Loss on foreign currency remeasurement	Loss on foreign currency remeasurement			

Earnings from equity method investments					
Earnings from equity method investments					
Earnings from equity method investments					
Other income, net	Other income, net	153	374	2,754	1,621
Total non-operating (expenses) income		(34,464)	122,969	(41,810)	116,562
Other income, net					
Other income, net					
Total non-operating expenses					
Total non-operating expenses					
Income before income taxes	Income before income taxes	5,098	146,787	72,615	233,072
Income tax (benefit) expense		(4,858)	9,048	4,546	22,911
Income before income taxes					
Income before income taxes					
Income tax expense					
Income tax expense					
Income tax expense					
Net income	Net income	9,956	137,739	68,069	210,161
Less: Net loss attributable to non-controlling interest		(80)	(75)	(174)	(140)
Net income					
Net income					
Less: Net income attributable to non-controlling interest					
Less: Net income attributable to non-controlling interest					
Less: Net income attributable to non-controlling interest					
Net income attributable to EVERTEC, Inc.'s common stockholders	Net income attributable to EVERTEC, Inc.'s common stockholders	10,036	137,814	68,243	210,301
Other comprehensive income (loss), net of tax of \$329, \$716, \$18 and \$1,442					
Net income attributable to EVERTEC, Inc.'s common stockholders					
Net income attributable to EVERTEC, Inc.'s common stockholders					
Other comprehensive (loss) income, net of tax of \$157 and \$(116)					
Other comprehensive (loss) income, net of tax of \$157 and \$(116)					
Other comprehensive (loss) income, net of tax of \$157 and \$(116)					
Foreign currency translation adjustments	Foreign currency translation adjustments	(11,332)	4,125	9,426	(210)
Gain on cash flow hedges		3,468	5,762	3,739	18,824
Foreign currency translation adjustments					
Foreign currency translation adjustments					
Gain (loss) on cash flow hedges					
Gain (loss) on cash flow hedges					

Gain (loss) on cash flow hedges						
Unrealized loss on change in fair value of debt securities available-for-sale	Unrealized loss on change in fair value of debt securities available-for-sale	<u>(11)</u>	\$ <u>(21)</u>	\$ <u>(31)</u>	\$ <u>(77)</u>	
Total comprehensive income attributable to EVERTEC, Inc.'s common stockholders		\$ 2,161	\$ 147,680	\$ 81,377	\$ 228,838	
Unrealized loss on change in fair value of debt securities available-for-sale						
Unrealized loss on change in fair value of debt securities available-for-sale						
Other comprehensive (loss) income, net of tax						
Other comprehensive (loss) income, net of tax						
Other comprehensive (loss) income, net of tax						
Total comprehensive (loss) income attributable to EVERTEC, Inc.'s common stockholders						
Total comprehensive (loss) income attributable to EVERTEC, Inc.'s common stockholders						
Total comprehensive (loss) income attributable to EVERTEC, Inc.'s common stockholders						
Net income per common share - basic attributable to EVERTEC, Inc.'s common stockholders						
Net income per common share - basic attributable to EVERTEC, Inc.'s common stockholders						
Net income per common share - basic attributable to EVERTEC, Inc.'s common stockholders	Net income per common share - basic attributable to EVERTEC, Inc.'s common stockholders	<u>0.16</u>	<u>2.08</u>	<u>1.05</u>	<u>3.01</u>	
Net income per common share - diluted attributable to EVERTEC, Inc.'s common stockholders	Net income per common share - diluted attributable to EVERTEC, Inc.'s common stockholders	<u>0.15</u>	<u>2.06</u>	<u>1.04</u>	<u>2.98</u>	
Net income per common share - diluted attributable to EVERTEC, Inc.'s common stockholders						
Net income per common share - diluted attributable to EVERTEC, Inc.'s common stockholders						

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

EVERTEC, Inc. Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity
(In thousands, except share information)

	Number of								Accumulated				
	Shares of		Additional			Other		Non-		Total			
	Common	Common	Paid-in	Accumulated	Comprehensive	Controlling	Stockholders'	Stock	Stock	Capital	Earnings	(Loss) Income	Interest
	Stock	Stock	Capital	Earnings	Income	Interest	Equity	Stock	Stock	Capital	Earnings	(Loss)	Interest
Balance at December 31, 2022	64,847,233	\$ 648	\$ —	\$ 487,349	\$ (16,486)	\$ 3,237	\$ 474,748						
Balance at December 31, 2023													
Share-based compensation recognized	Share-based compensation recognized	—	—	5,557	—	—	—	—	—	—	—	5,557	
Repurchase of common stock	Repurchase of common stock	(187,976)	(1)	—	(6,268)	—	—	—	—	—	—	(6,269)	
Restricted stock units delivered	Restricted stock units delivered	419,205	4	(5,557)	(321)	—	—	—	—	—	—	(5,874)	
Net income	Net income	—	—	—	30,052	—	—	11	—	—	30,063		
Cash dividends declared on common stock, \$0.05 per share	Cash dividends declared on common stock, \$0.05 per share	—	—	—	(3,249)	—	—	—	—	—	—	(3,249)	
Other comprehensive income	—	—	—	—	—	16,040	125	—	—	—	—	16,165	
Adjustment of redeemable noncontrolling interest to redemption value													
Excise tax on repurchase of common stock													
Other comprehensive loss													
Balance at March 31, 2023	65,078,462	\$ 651	\$ —	\$ 507,563	\$ (446)	\$ 3,373	\$ 511,141						
Share-based compensation recognized	—	—	6,499	—	—	—	—	—	—	—	—	6,499	
Repurchase of common stock	(268,398)	(3)	(6,418)	(3,100)	—	—	—	—	—	—	—	(9,521)	
Restricted stock units delivered	29,045	—	(81)	—	—	—	—	—	—	—	—	(81)	
Net income	—	—	—	28,155	—	(105)	—	—	—	—	—	28,050	
Cash dividends declared on common stock, \$0.05 per share	—	—	—	(3,254)	—	—	—	—	—	—	—	(3,254)	
Other comprehensive income	—	—	—	—	4,969	339	—	—	—	—	—	5,308	
Balance at June 30, 2023	64,839,109	\$ 648	\$ —	\$ 529,364	\$ 4,523	\$ 3,607	\$ 538,142						
Share-based compensation recognized	—	—	6,756	—	—	—	—	—	—	—	—	6,756	

Repurchase of common stock	(208,564)	(2)	(2,031)	(5,775)	—	—	(7,808)
Restricted stock units delivered	377	—	(322)	321	—	—	(1)
Net income	—	—	—	10,036	—	(80)	9,956
Cash dividends declared on common stock, \$0.05 per share	—	—	—	(3,232)	—	—	(3,232)
Other comprehensive (loss) income	—	—	—	—	(7,875)	411	(7,464)
Balance at September 30, 2023	64,630,922	\$ 646	\$ 4,403	\$ 530,714	\$ (3,352)	\$ 3,938	\$ 536,349
Balance at March 31, 2024							
Balance at March 31, 2024							
Balance at March 31, 2024							

	Number of Shares of Common Stock								Accumulated Additional Common Stock Capital Earnings								Other Comprehensive Loss			Non- Controlling Interest		Total	
	Common Stock		Common Stock		Paid-in Capital		Accumulated Earnings		Other Comprehensive Loss		Non- Controlling Interest		Total										
	Common Stock	Common Stock	Common Stock	Common Stock	Paid-in Capital	Paid-in Capital	Accumulated Earnings	Accumulated Earnings	Other Comprehensive Loss	Other Comprehensive Loss	Non- Controlling Interest	Non- Controlling Interest	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity			
Balance at December 31, 2021	71,969,856	\$ 719	\$ 7,565	\$ 506,051	\$ (48,123)	\$ 4,056	\$ 470,268																
Share-based compensation recognized	—	—	4,279	—	—	—	—	—	—	—	—	—	—	4,279									
Repurchase of common stock	(521,643)	(5)	(6,193)	(14,981)	—	—	—	—	—	—	—	—	—	(21,179)									
Restricted stock units delivered	251,085	3	(5,651)	—	—	—	—	—	—	—	—	—	—	(5,648)									
Net income (loss)	—	—	—	38,898	—	—	—	—	(32)	—	—	—	—	38,866									
Cash dividends declared on common stock, \$0.05 per share	—	—	—	(3,598)	—	—	—	—	—	—	—	—	—	(3,598)									
Other comprehensive income	—	—	—	—	—	—	11,912	—	248	—	—	—	—	12,160									
Balance at March 31, 2022	71,699,298	\$ 717	\$ —	\$ 526,370	\$ (36,211)	\$ 4,272	\$ 495,148																
	Number of Shares of Common Stock								Number of Shares of Common Stock								Accumulated Additional Common Stock Capital Earnings						
	Common Stock	Common Stock	Common Stock	Common Stock	Paid-in Capital	Paid-in Capital	Accumulated Earnings	Accumulated Earnings	Other Comprehensive Loss	Other Comprehensive Loss	Non- Controlling Interest	Non- Controlling Interest	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity	Stockholders' Equity			
Balance at December 31, 2022																							
Share-based compensation recognized	Share-based compensation recognized	—	—	5,165	—	—	—	—	—	—	—	—	—	5,165									
Repurchase of common stock	Repurchase of common stock	(357,114)	(4)	(3,466)	(10,566)	—	—	—	—	—	—	—	—	(14,036)									
Restricted stock units delivered	Restricted stock units delivered	25,149	—	(28)	—	—	—	—	—	—	—	—	—	(28)									
Net income	Net income	—	—	—	33,589	—	—	—	(33)	—	—	—	—	33,556									
Cash dividends declared on common stock, \$0.05 per share	Cash dividends declared on common stock, \$0.05 per share	—	—	—	(3,579)	—	—	—	—	—	—	—	—	(3,579)									
Other comprehensive loss	—	—	—	—	—	(3,241)	—	(384)	—	(3,625)	—	—	—	—									

Other comprehensive income							
Balance at June 30, 2022	71,367,333	713	1,671	545,814	(39,452)	3,855	512,601
Share-based compensation recognized	—	—	5,296	—	—	—	5,296
Repurchase of common stock	(1,190,388)	(12)	(6,958)	(30,347)	—	—	(37,317)
Restricted stock units delivered	485	—	(9)	—	—	—	(9)
Net income	—	—	—	137,814	—	(75)	137,739
Cash dividends declared on common stock, \$0.05 per share	—	—	—	(3,338)	—	—	(3,338)
Other comprehensive loss	—	—	—	—	9,866	(334)	9,532
Common stock received in exchange of the sale of a business	(4,589,160)	(46)	—	(169,203)	—	—	(169,249)
Balance at September 30, 2022	65,588,270	655	—	480,740	(29,586)	3,446	455,255
Balance at March 31, 2023							
Balance at March 31, 2023							
Balance at March 31, 2023							

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

EVERTEC, Inc. Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

	Nine months ended September 30,	
	2023	2022
Cash flows from operating activities		
Net income	68,069	\$ 210,161
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	63,680	58,432
Amortization of debt issue costs and accretion of discount	1,795	1,187
Operating lease amortization	4,619	4,576
Unrealized loss on foreign currency hedge	29,225	—
Unrealized gain on change in fair value of equity securities	(104)	—
(Release) provision for expected credit losses and sundry losses	(305)	3,363
Deferred tax benefit	(16,491)	(1,699)
Share-based compensation	18,812	14,740
Gain on sale of a business	—	(135,642)
Loss on disposition of property and equipment	789	4,691
Earnings of equity method investment	(3,828)	(2,120)
Dividend received from equity method investment	3,497	2,053
Loss on foreign currency remeasurement	7,337	6,858
Decrease (increase) in assets:		
Accounts receivable, net	(4,590)	3,503
Prepaid expenses and other assets	(11,181)	(3,417)
Other long-term assets	(1,013)	(4,389)
(Decrease) increase in liabilities:		
Accrued liabilities and accounts payable	17,387	468
Income tax payable	(9,108)	2,921
Contract liability	(1,146)	1,344

Operating lease liabilities	(3,739)	(4,450)
Other long-term liabilities	(247)	(3,571)
Total adjustments	95,389	(51,152)
Net cash provided by operating activities	163,458	159,009
Cash flows from investing activities		
Additions to software	(34,193)	(28,287)
Acquisition of customer relationship	—	(10,607)
Property and equipment acquired	(16,429)	(16,313)
Proceeds from sales of property and equipment	23	77
Acquisition of available-for-sale debt securities	(962)	(254)
Purchase of equity securities	(26,505)	—
Investment in equity investee	(5,500)	—
Purchase of certificates of deposit	—	(7,264)
Proceeds from maturities of available-for-sale debt securities	1,048	1,015
Acquisitions, net of cash acquired	(22,915)	(44,369)
Net cash used in investing activities	(105,433)	(106,002)
Cash flows from financing activities		
Withholding taxes paid on share-based compensation	(5,956)	(5,685)
Net decrease in short-term borrowings	(14,000)	—
Repayment of short-term borrowings for purchase of equipment and software	—	(901)
Dividends paid	(9,735)	(10,515)
Repurchase of common stock	(23,598)	(72,532)
Repayment of long-term debt	(15,563)	(9,875)
Net cash used in financing activities	(68,852)	(99,508)
Effect of foreign exchange rate on cash, cash equivalents and restricted cash	10,716	4,260
Net decrease in cash, cash equivalents and restricted cash	(111)	(42,241)
Cash, cash equivalents, restricted cash and cash included in settlement assets at beginning of the period	215,657	285,917

Cash, cash equivalents, restricted cash and cash included in settlement assets at end of the period	\$ 215,546	\$ 243,676
Reconciliation of cash, cash equivalents, restricted cash and cash included in settlement assets		
Cash and cash equivalents	\$ 177,821	\$ 216,357
Restricted cash	20,607	18,705
Cash and cash equivalents included in settlement assets	17,118	8,614
Cash, cash equivalents, restricted cash and cash included in settlement assets	\$ 215,546	\$ 243,676
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 16,737	\$ 18,523
Cash paid for income taxes	\$ 29,692	\$ 24,386
Supplemental disclosure of non-cash activities:		
Payable due to vendor related to equipment and software acquired	\$ 4,207	\$ —
Non-cash investing activities		
Software exchanged for common stock	—	\$ 18,761
Goodwill exchanged for common stock	—	\$ 5,813
CDs transferred in the acquisition of a business	—	\$ 7,169
Non-cash financing activities		
Payable due to vendor related to licenses acquired	7,911	\$ —
Non-cash financing and investing activities		
Common stock received and retired for sale of a business	—	\$ 169,249

	Three months ended March 31,	
	2024	2023
Cash flows from operating activities		
Net income	16,387	\$ 30,063
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	34,441	19,432
Amortization of debt issue costs and accretion of discount	1,874	396
Operating lease amortization	1,810	1,626
Unrealized gain on change in fair value of equity securities	(2,325)	—
Deferred tax benefit	(5,720)	(2,208)
Share-based compensation	7,349	5,557
Earnings of equity method investment	(1,071)	(1,155)
Loss on foreign currency remeasurement	4,456	4,864
Other, net	797	2,530
Decrease (increase) in assets:		
Accounts receivable, net	(14,756)	10,044
Prepaid expenses and other assets	130	(5,388)
Other long-term assets	(1,484)	(261)
(Decrease) increase in liabilities:		
Accrued liabilities and accounts payable	(11,031)	(13,417)
Income tax payable	(3,347)	(639)
Contract liability	8,721	3,089
Operating lease liabilities	(4)	310
Other long-term liabilities	(252)	(332)
Total adjustments	19,588	24,448
Net cash provided by operating activities	35,975	54,511
Cash flows from investing activities		
Additions to software	(16,494)	(9,257)
Property and equipment acquired	(5,389)	(4,063)
Purchase of equity securities	(111)	—
Acquisitions, net of cash acquired	—	(23,317)
Net cash used in investing activities	(21,994)	(36,637)
Cash flows from financing activities		
Withholding taxes paid on share-based compensation	(9,756)	(5,874)
Net increase (decrease) in short-term borrowings	80,000	(20,000)
Dividends paid to noncontrolling interest holders	(1,142)	—
Dividends paid	(3,273)	(3,249)
Repurchase of common stock	(70,000)	(6,269)
Repayment of long-term debt	(5,967)	(5,187)
Repayment of other financing agreement	(6,212)	—
Net cash used in financing activities	(16,350)	(40,579)
Effect of foreign exchange rate on cash, cash equivalents and restricted cash	(3,768)	(275)
Net decrease in cash, cash equivalents and restricted cash	(6,137)	(22,980)
Cash, cash equivalents, restricted cash and cash included in settlement assets at beginning of the period	343,724	215,657
Cash, cash equivalents, restricted cash, and cash included in settlement assets at end of the period	\$ 337,587	\$ 192,677

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

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Note 1 – The Company and Basis of Presentation

The Company

EVERTEC, Inc. and its subsidiaries (collectively the “Company” or “EVERTEC”) is a leading full-service transaction processing business and financial technology provider in Latin America, Puerto Rico and the Caribbean. The Company is based in Puerto Rico and provides a broad range of merchant acquiring, payment processing services and business process management services. The Company provides services operates across 26 countries in the region. EVERTEC owns and operates the ATH network, which we believe is one of the leading personal identification number (“PIN”) debit networks in the Caribbean and Latin America. In addition, EVERTEC provides a comprehensive suite of services for core banking, cash processing and fulfillment in Puerto Rico and technology outsourcing and payment transactions fraud monitoring in all the regions the Company serves. EVERTEC serves a broad and diversified customer base of leading financial institutions, merchants, corporations, and government agencies with solutions that are essential to their operations, enabling them to issue, process and accept transactions securely. operations.

Basis of Presentation

The unaudited condensed consolidated financial statements of EVERTEC have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. The preparation of the accompanying unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed consolidated financial statements. Actual results could differ from these estimates.

Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted from these statements pursuant to the rules and regulations of the Securities and Exchange Commission and, accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the year ended December 31, 2022 December 31, 2023, included in the Company’s 2022 2023 Annual Report on Form 10-K. In the opinion of management, the accompanying unaudited condensed consolidated financial statements, prepared in accordance with GAAP, contain all adjustments necessary for a fair presentation. Intercompany accounts and transactions are eliminated in consolidation. Certain amounts from prior periods have been reclassified to conform to the current period presentation.

Settlement Assets and Liabilities

Settlement assets and liabilities result from timing differences in the Company's settlement processes with merchants, financial institutions, and credit card associations related to merchant and card transaction processing. The amounts are generally collected or paid the following business day. Settlement assets represent cash received or amounts receivable from agents, payment networks, bank partners, merchants or direct consumers. Settlement liabilities represent amounts payable to merchants and payees. Settlement assets were historically presented within cash and accounts receivable, while Settlement liabilities were presented within accrued liabilities and accounts payable.

Note 2 – Business Acquisition

Acquisition of a Business

On **February 16, 2023** **November 1, 2023**, the Company **closed on completed** the acquisition of 100% of **Paysmart Pagamentos Eletronicos Ltda** the outstanding shares of **Sinqia S.A. ("paySmart" Sinqia")**. Headquartered (the "Sinqia Transaction"), a publicly held company incorporated and existing in Porto Alegre, Brazil, paySmart provides issuer processing services and BIN Sponsorship services for prepaid programs under domestic and international schemes in accordance with the laws of the Federative Republic of Brazil. The aggregate purchase price was \$130 million Brazilian reais, approximately USD\$25 million. The Company completed the acquisition expands through its wholly-owned subsidiary, **Evertec Brasil Informática S.A ("Evertec BR")**. In accordance with ASC 805-10-25-15, Evertec is allowed a period, not to exceed 12 months from the Company's footprint in Brazil and complements acquisition date, to adjust the current product offering in the country.

The Company accounted provisional amounts recognized for this transaction as a business combination. During the first quarter of 2024, the Company adjusted the operating lease right-of-use asset, goodwill, long-term deferred tax asset, operating lease liability and the deferred tax liability as a result of additional information that became available during the period. The following table details the preliminary fair value of assets acquired and liabilities assumed from the paySmart acquisition:

purchase price allocation is as follows:

Preliminary Assets/Liabilities (at fair value)		
(In thousands)		
Cash and cash equivalents	\$	2,037 37,147
Restricted cash		2,166
Accounts receivable, net		451 9,989
Prepaid expenses and other assets		58 5,975
Property and equipment, net		107 3,618
Operating lease right-of-use asset		182 1,683
Goodwill Preliminary goodwill		9,735 341,801
Settlement assets Equity securities, at fair value		52,593 9,035
Long-term deferred tax asset		28,758
Other intangible assets, net		15,174 291,048
Other long-term assets		5,455
Total assets acquired	\$ 80,337	736,675
Accounts payable		278 13,241
Settlement Accrued liabilities		50,368 40,775
Operating lease liability		185 4,114
Income tax payable Current portion of long-term debt		298 11,400
Long-term debt		57,492
Contract liability		7,356
Deferred tax liability		4,253 76,150
Other long-term liabilities		15,134
Total liabilities assumed	\$ 55,382	225,662
Redeemable noncontrolling interests		39,340
Additional paid-in capital		471,673
Total liabilities and equity	\$	736,675

The following table details the major groups of intangible assets acquired and the weighted average amortization period for these assets:

	Weighted-average		Amount	Weighted-average life
	Amount	life		
	Amount		Amount	Weighted-average life

(Dollar amounts in thousands)					
Customer relationships					
Customer relationships					
Customer relationships	\$10,239	20	\$	155,876	18
Trademark	Trademark	1,299	5	Trademark	10
Software packages	Software packages	3,636	5	Software packages	10
Total	Total	\$15,174	15	Total	14
				\$ 291,048	14

Refer to Note 6-4- *Goodwill and Other Intangible Assets* for detail of goodwill allocated by reportable segments. The goodwill is primarily attributed to anticipated synergies, selling the Company's products and services to Singqia's client base, exporting Singqia's products to other markets where the Company has presence and the assembled workforce. Currently, none a portion of the goodwill related to previous Singqia acquisitions is deductible for income tax purposes, purposes on a statutory basis. The Company continues to finalize the purchase price allocation and further changes to the preliminary allocation may be required.

Note 3 – Debt Securities

The amortized cost, gross unrealized gains and losses recorded in OCI and estimated fair value of debt securities available-for-sale by contractual maturity as of September 30, 2023 and December 31, 2022 were as follows:

(In thousands)	September 30, 2023			
	Gross unrealized			
	Amortized cost	Gains	Losses	Fair Value
Costa Rica Government Obligations				
After 1 to 5 years	\$ 2,090	\$ —	\$ (11)	\$ 2,079

(In thousands)	December 31, 2022			
	Gross unrealized			
	Amortized cost	Gains	Losses	Fair Value
Costa Rica Government Obligations				
After 1 to 5 years	\$ 2,194	\$ 9	\$ —	\$ 2,203

Costa Rica Government Obligations are held by a trust in the Costa Rica National Bank as a collateral requirement for settlement activities. The Company may substitute securities as needed but must maintain certain levels of collateral based on transaction volumes.

For the nine months period ended September 30, 2023, the Company purchased \$1.0 million in debt securities that were classified as available-for-sale and \$0.3 million for the corresponding period in 2022. Debt securities amounting to \$1.0 million and \$1.0 million matured during the nine months period ended September 30, 2023 and 2022, respectively, while no debt securities were sold during the same periods.

A provision for credit losses was not required for the periods presented above. Refer to Note 8 for disclosure requirements related to the fair value hierarchy.

Note 4 – Investment in Equity Investee

In the third quarter of 2023, the Company, through its wholly owned subsidiary EVERTEC Costa Rica, S.A. ("EVERTEC CR"), entered into an agreement with a corporate partner to jointly develop and provide payment services in the Latin America region. The services will be provided through a newly formed entity which both entities will contribute capital to form. The Company has concluded that the newly formed entity is a joint venture not controlled by the Company and will therefore account for the entity as an equity investee. The Company has committed capital contributions in the amount of \$13.5 million, consisting of cash payments amounting to \$7.5 million, nonfinancial assets consisting of \$3.5 million in development of intellectual property, and \$2.5 million in processing cost credits. At September 30, 2023, the Company had contributed \$5.5 million in cash from the committed amounts, which represented 9.91% ownership in the joint venture.

Note 53 – Property and Equipment, net

Property and equipment, net consists of the following:

(Dollar amounts in thousands)	(Dollar amounts in thousands)	Useful life in years	September 30, 2023	December 31, 2022	(Dollar amounts in thousands)	Useful life in years	March 31, 2024	December 31, 2023
Buildings	Buildings	30	\$ 1,620	\$ 1,456				
Data processing equipment	Data processing equipment	3 - 5	178,367	162,761				
Furniture and equipment	Furniture and equipment	3 - 20	9,869	9,154				
Leasehold improvements	Leasehold improvements	5 - 10	4,208	3,660				
			194,064	177,031				
				208,077				
Less - accumulated depreciation and amortization	Less - accumulated depreciation and amortization		(138,525)	(121,919)				
Depreciable assets, net	Depreciable assets, net		55,539	55,112				
Land	Land		1,418	1,275				
Property and equipment, net	Property and equipment, net		\$ 56,957	\$ 56,387				

Depreciation and amortization expense related to property and equipment for the three and nine months ended September 30, 2023 March 31, 2024 amounted to \$5.4 million and \$15.9 million, respectively, \$5.7 million compared to \$4.6 million and \$13.9 million \$5.0 million for the corresponding periods period in 2022, 2023.

Note 6—4—Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill, allocated by operating segments, were as follows (see Note 17) 15):

(In thousands)	Payment		Payment		Merchant		Business		Total
	Services -	Puerto Rico & Caribbean	Services -	Latin America	Acquiring, net	Solutions	Solutions	Solutions	
Balance at December 31, 2022	\$ 160,972	\$ 84,289	\$ 138,121	\$ 40,010	\$ 423,392				
Goodwill attributable to acquisition	—	9,735	—	—	9,735				
Foreign currency translation adjustments	—	1,369	—	—	1,369				
Balance at September 30, 2023	\$ 160,972	\$ 95,393	\$ 138,121	\$ 40,010	\$ 434,496				

(In thousands)	Payment		Latin America		Merchant		Business		Total
	Services -	Puerto Rico & Caribbean	Payments and Solutions	Solutions	Acquiring, net	Solutions	Solutions	Solutions	
Balance at December 31, 2023	\$ 160,972	\$ 452,597	\$ 138,121	\$ 40,010	\$ 791,700				
Adjustment to goodwill from prior year acquisition	—	(1,352)	—	—	(1,352)				
Foreign currency translation adjustments	—	(12,416)	—	—	(12,416)				
Balance at March 31, 2024	\$ 160,972	\$ 438,829	\$ 138,121	\$ 40,010	\$ 777,932				

Goodwill is tested for impairment on an annual basis as of August 31, or more often if events or changes in circumstances indicate there may be impairment. The Company may test for goodwill impairment using a qualitative or a quantitative analysis. In a qualitative analysis, the Company assesses whether it is "more likely than not" that the fair value of a reporting unit is less than its carrying amount. In the quantitative analysis, the Company compares the estimated fair value of the reporting units to their carrying values, including

goodwill. No impairment losses were recognized based on for the quantitative assessment performed as of August 31, 2023. For the corresponding period in 2022 the qualitative analysis was followed and no impairment losses were recognized. Refer to Note 2 - Business Acquisition, for further details of goodwill acquired in the first quarter of periods ended March 31, 2024 or 2023.

The carrying amount of other intangible assets at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 was as follows:

		September 30, 2023				Useful life in years	March 31, 2024		
		(Dollar amounts in thousands)	Useful life in years	Gross amount	Accumulated amortization		Gross amount	Accumulated amortization	Net carrying amount
Customer relationships	Customer relationships	8 - 20	\$403,108	\$ (327,813)	\$ 75,295				
Trademarks	Trademarks	15	44,495	(39,333)	\$ 5,162				
Software packages	Software packages	3 - 10	405,429	(265,646)	\$ 139,783				
Non-compete agreement									
Other intangible assets, net	Other intangible assets, net		\$853,032	\$ (632,792)	\$ 220,240				

		December 31, 2022		
		Useful life in years	Gross amount	Accumulated amortization
Customer relationships	8 - 15	\$ 392,737	\$ (303,733)	\$ 89,004
Trademarks	1 - 15	43,195	(37,998)	5,197
Software packages	3 - 10	349,474	(243,355)	106,119
Other intangible assets, net		\$ 785,406	\$ (585,086)	\$ 200,320

		December 31, 2023		
		Useful life in years	Gross amount	Accumulated amortization
Customer relationships	8 - 20	\$ 568,284	\$ (340,952)	\$ 227,332
Trademarks	1 - 15	94,203	(41,319)	52,884
Software packages	3 - 10	510,898	(274,610)	236,288
Non-compete agreement	5	1,735	(169)	1,566
Other intangible assets, net		\$ 1,175,120	\$ (657,050)	\$ 518,070

Amortization expense related to other intangibles for the three and nine months ended September 30, 2023 March 31, 2024 amounted to \$16.6 million and \$47.8 million, respectively, \$28.8 million compared to \$15.2 million and \$44.5 million for \$16.3 million for the corresponding periods period in 2022. During the nine months ended September 30, 2022, the Company recorded an impairment loss through cost of revenues of \$4.1 million for a multi-year software development for which a reduction in future cash flows was projected. The impairment charge affected the Company's Payment Services - Puerto Rico & Caribbean segment. 2023.

The estimated amortization expense of the other intangible balances outstanding at September 30, 2023 March 31, 2024, for the next five remainder of 2024 and the years thereafter is as follows:

(In thousands)

Remaining 2023	\$16,411
2024	55,249
Remaining 2024	
2025	28,644

2026	2026	19,267
2027	2027	14,522
2028		
Thereafter		

Note 75 – Debt and Short-Term Borrowings

Debt at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** was as follows:

(In thousands)	(In thousands)	September 30, 2023	December 31, 2022	(In thousands)	March 31, 2024	December 31, 2023
2027						
2027 Term	Term A					
A Loan	Loan					
bearing	bearing					
interest at	interest at					
a variable	a variable					
interest	interest					
rate	rate					
(SOFR	(SOFR					
plus	plus					
applicable	applicable					
margin ⁽¹⁾	margin ⁽¹⁾					
(2)	(2)	\$395,406	\$410,248			
Revolving credit						
facility ⁽²⁾		6,000	20,000			
Note payable due on						
September 1, 2030 ⁽¹⁾		7,911	\$ —			
2030 Term B Loan						
bearing interest at a						
variable interest rate						
(SOFR plus						
applicable margin ⁽¹⁾						
(3)						
2030 Term B Loan						
bearing interest at a						
variable interest rate						
(SOFR plus						
applicable margin ⁽¹⁾						
(3)						
2030 Term B Loan						
bearing interest at a						
variable interest rate						
(SOFR plus						
applicable margin ⁽¹⁾						
(3)						
Deferred						
consideration from						
Business						
Combinations						
Deferred						
consideration from						
Business						
Combinations						
Deferred						
consideration from						
Business						
Combinations						

Revolving Facility ⁽²⁾	
Note payable due September 1, 2030 ⁽¹⁾	
Total debt	

(1) Net of unaccreted discount and unamortized debt issue costs, as applicable.

(2) Subject to a minimum rate ("SOFR floor") of 0% 0.00% plus applicable margin of 2.00% at March 31, 2024 and 1.50% at September 30, 2023 December 31, 2023.

(3) Subject to a SOFR floor of 0.50% plus applicable margin of 3.50% at March 31, 2024 and December 31, 2022 December 31, 2023.

Secured Credit Facilities

On December 1, 2022, EVERTEC and EVERTEC Group, entered into a credit agreement with a syndicate of lenders and Truist Bank ("Truist"), as administrative agent and collateral agent, providing for (i) a \$415.0 million term loan A facility (the "Term Loan Facility") that matures on December 1, 2027, and (ii) a \$200.0 million revolving credit facility (the "Revolving Facility", and together with the Term A Loan Facility, the "2022 Credit Facilities") that matures on December 1, 2027 (the "2022 Credit Facilities Maturity Date"). On October 30, 2023, Evertec, EVERTEC Group and other Loan Parties (as defined in the Existing Credit Agreement) party thereto, entered into a first amendment (the "Amendment") to the credit agreement, dated as of December 1, 2022 (the "Existing Credit Agreement," and as amended by the Amendment, the "Amended Credit Agreement"), with a syndicate of lenders and Truist, as administrative agent and collateral agent. Under the Amended Credit Agreement, a syndicate of financial institutions and other lenders provided (i) additional term loan A commitments in the amount of \$60.0 million (the "Incremental TLA Facility") and (ii) a new tranche of term loan B commitments in the amount of \$600.0 million (the "New TLB Facility," and together with the Incremental TLA Facility, the "Facilities"). The 2022 Credit Facilities mature \$600.0 million term loan B facility matures on December 1, 2027 October 30, 2030 (the "Term Loan B Maturity Date"). Unless otherwise indicated, the terms and conditions detailed below apply to both term loan A facility and term loan B (together "Term Loan Facilities"). In the fourth quarter of 2023, the Company prepaid \$60 million of the outstanding balance on Term Loan B.

At September 30, 2023 March 31, 2024, the unpaid principal balance of the Term A Loan Facility was \$399.4 million and Term B Loan Facility were \$447.5 million and \$540.0 million, respectively. At September 30, 2023, there was \$6.0 million March 31, 2024 the outstanding on balance of the Revolving Facility was \$80 million and the additional borrowing capacity was \$188.0 \$114.0 million, considering letters of credit issued. The Company issues letters of credit against the Revolving Facility which reduce the additional borrowing capacity of the Revolving Facility.

Notes Deferred Consideration for Business Combinations

As part of the Company's merger and acquisition activities, the Company may enter into agreements by which a portion of the purchase price is financed directly by the seller. At March 31, 2024 and December 31, 2023, the unpaid principal balance of these agreements amounted to \$18.9 million and \$19.5 million, respectively. Obligations bear interest at rates ranging from 2% to 24% with maturities ranging from April 2024 through March 2027. The current portion of the deferred consideration is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's unaudited condensed consolidated balance sheet.

Note Payable

In September 2023, EVERTEC Group entered into a non-interest bearing financing agreement amounting to \$10.1 million to purchase software and maintenance which the Company recorded on a discounted basis using an implied interest of 6.9%. As of September 30, 2023 March 31, 2024, the outstanding principal balance of the note payable on a discounted basis was \$7.9 \$7.2 million. The current portion of the note is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's unaudited condensed consolidated balance sheet.

Interest Rate Swaps

As of September 30, 2023 March 31, 2024, the Company has two four interest rate swap agreements entered into in December 2018 and May 2023, which convert a portion of the interest rate payments on the Company's Term Loan Facility Facilities from variable to fixed:fixed. The interest rate swaps are used to hedge the market risk from changes in interest rates corresponding with the Company's variable rate debt. The interest rate swaps are designated as cash flow hedges and are considered highly effective. Cash flows from the interest rate swaps are included in the accrued liabilities and accounts payable line item in the Company's unaudited condensed consolidated statements of cash flows. Changes in the fair value of the interest rate swaps are recognized in other comprehensive income (loss) until the gains or losses are reclassified to earnings. Gains or losses reclassified to earnings are presented within interest expense in the accompanying condensed consolidated statements of income and comprehensive income.

Swap Agreement	Effective date	Maturity Date	Notional Amount	Variable Rate	Fixed Rate
2018 Swap	April 2020	November 2024	\$250 million	1-month SOFR	2.929%
2023 Swap	November 2024	December 2027	\$250 million	1-month SOFR	3.375%
2024 Swap	March 2024	October 2027	\$150 million	1-month SOFR	4.182%
2024 Swap	March 2024	October 2027	\$150 million	1-month SOFR	4.172%

As of September 30, 2023 and December 31, 2022 At March 31, 2024, the carrying amount of the derivatives included on the Company's unaudited condensed consolidated balance sheets was \$11.5 million an asset of \$7.0 million and \$7.4 million a liability of \$0.9 million, included in other long-term liabilities. At December 31, 2023, respectively, the carrying amount of the derivatives included on the Company's unaudited condensed consolidated balance sheet was an asset of \$4.4 million and a liability of \$0.9 million, included in other long-term liabilities. The fair value of these derivatives are estimated using Level 2 inputs in the fair value hierarchy on a recurring basis. Refer to Note 98 for disclosure of gains (losses) recorded on cash flow hedging activities.

During the three and nine months ended September 30, 2023, March 31, 2024 and 2023, the Company reclassified gains of \$1.6 million \$1.7 million and \$4.0 million \$1.0 million, respectively, from accumulated other comprehensive income loss into interest expense compared to losses of \$0.4 million and \$3.5 million, respectively, for the corresponding periods in 2022, expense. Based on current SOFR rates, the Company expects to reclassify gains of \$6.2 million \$10.0 million from accumulated other comprehensive income loss into interest expense over the next 12 months.

The cash flow hedge is considered highly effective.

Note 86 – Financial Instruments and Fair Value Measurements

Recurring Fair Value Measurements

The following table presents assets and liabilities measured at fair value on a recurring basis at March 31, 2024 and December 31, 2023:

(In thousands)	March 31, 2024				December 31, 2023		
	Level 2	Level 3	Measured at NAV	Total	Level 2	Level 3	Total
Financial assets:							
Debt securities	\$ 2,093	\$ —	\$ —	\$ 2,093	\$ 2,095	\$ —	\$ 2,095
Equity securities	—	5,356	5,487	10,843	6,447	2,966	9,413
Interest rate swaps	6,962	—	—	6,962	4,385	—	4,385
Financial liabilities:							
Interest rate swaps	900	—	—	900	900	—	900

Debt Securities Available for Sale

Costa Rica Government Obligations are held by a trust in the Costa Rica National Bank as a collateral requirement for settlement activities. The Company may substitute securities as needed but must maintain certain levels of collateral based on transaction volumes. No debt securities were purchased, matured or sold during the quarters ended March 31, 2024 and March 31, 2023. A provision for credit losses was not required for either March 31, 2024 or 2023.

The fair value of debt securities is estimated based on observable inputs through corroboration with market data at the measurement date, therefore classified as a Level 2 asset within the fair value hierarchy. The fair value of the Costa Rica Government Obligations was \$2.1 million and \$2.2 million as of September 30, 2023 and December 31, 2022.

Derivative Instruments

The fair value of the Company's interest rate swaps are estimated using Level 2 inputs under the fair value hierarchy. These derivatives were in an asset position with a balance of \$11.5 million and \$7.4 million as of September 30, 2023 and December 31, 2022, respectively. Refer to Note 5 for additional information related to the derivative instruments.

Equity Securities

The fair value of the foreign currency swap entered into during the third quarter of 2023 equity securities is calculated based on enterprise value to fix the acquisition price of the Singia transaction described in Note 18, Subsequent events, is estimated using revenue multiples ranging from 0.4x to 8.3x, therefore classified as a Level 2 inputs under 3 asset within the fair value hierarchy. This derivative was in a liability position of \$29.2 million as of September 30, 2023.

Equity Securities

During the third quarter of 2023, the Company purchased 4.8 million shares of Singia, S.A., a public company traded in B3, the Brazilian stock exchange. The shares were purchased in the open market for \$26.5 million and at September 30, 2023 the fair value of the equity securities was \$5.4 million at March 31, 2024 and \$3.0 million at December

31, 2023. At December 31, 2023, mutual funds classified as equity securities, were registered with the securities and exchange commission in Brazil and were broker traded and therefore classified as Level 1 input, amounted to \$26.0 million. For both 2.

The following table presents the three and nine month periods changes in equity securities classified as Level 3 assets:

(In thousands)	Equity Securities	
Balance at December 31, 2023	\$	2,966
Change in fair value of equity securities, recognized through Other income, net		2,353
Foreign currency translation adjustments		37
Balance at March 31, 2024	\$	5,356

There were no transfers in or out of Level 3 during the quarter ended September 30, 2023 March 31, 2024.

Equity Securities Measured at Net Asset Value (NAV)

At March 31, 2024, the Company recognized unrealized gains of \$0.1 million in holds mutual funds classified as equity securities on the Company's unaudited condensed consolidated statement balance sheet that are measured at fair value using the NAV per share, or its equivalent, as a practical expedient. Mutual funds consist of income investments in venture capital strategies and translation losses start-ups with a focus on privately held technology companies. The NAV is based on the fair value of \$0.6 million through other comprehensive income (loss), the underlying net assets owned by the mutual funds and the relative interest of each participating investor in the fair value of the underlying assets.

Financial assets and liabilities not measured at fair value

The following table presents the carrying value as applicable, and estimated fair value for financial instruments at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

(In thousands)	September 30, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Costa Rica government obligations	\$ 2,079	\$ 2,079	\$ 2,203	\$ 2,203
Equity securities	\$ 25,992	\$ 25,992	—	—
Interest rate swaps	11,492	11,492	7,440	7,440
Financial liabilities:				
Term Loan Facility	395,406	397,840	410,248	413,494
Foreign currency hedge liability	29,225	29,225	—	—

(In thousands)	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
2027 Term A Loan Facility	443,736	448,623	449,450	452,337
2030 Term B Loan Facility	521,848	541,350	521,240	539,325

The fair value of the term loan loans at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 was obtained using prices provided by third party service providers. Their pricing is based on various inputs such as market quotes, recent trading activity in a non-active market or imputed prices. These inputs are considered Level 3 inputs under the fair value hierarchy. Also, the pricing may include the use of an algorithm that could take into account movements in the general high yield market, among other variants. The secured term loan is loans are not accounted for at fair value in the balance sheet.

Note 7 – Redeemable Noncontrolling Interests

At March 31, 2024, redeemable noncontrolling interests ("RNCI") consist of interests in consolidated subsidiaries for which the Company has entered into separate option contracts by which the Company has the right to purchase the remaining non-controlling interests through a call option and the non-controlling interest holder has the right to sell the non-

controlling interest to the Company through a put option. The following table summarizes the terms of the issued options:

	Percentage of redeemable noncontrolling interest	Earliest exercise date	Formula of redemption value
Homie Do Brasil Informatica	40%	April 1, 2025	Variable multiple of gross sales dependent upon EBITDA margin and gross sales attained times percentage of ownership
Rosk Software S.A.	49%	March 15, 2025	Variable multiple of gross sales dependent upon EBITDA margin attained times percentage of ownership
Compliasset Software e Solucoes Digitais LTDA.	40%	March 15, 2026	Variable multiple of net sales dependent upon EBITDA margin attained plus net debt times percentage of ownership
Lote45 Participacoes S.A.	48%	January 1, 2027	Variable multiple of net sales dependent upon EBITDA margin attained plus net debt minus BRL\$10.0 million times percentage of ownership

Given certain provisions within the options, the Company has classified the RNCI as mezzanine equity on the Company's Balance Sheets. RNCI are adjusted quarterly, if necessary, to their estimated redemption value. Adjustments to the redemption value impact stockholders' equity. The following table presents changes in RNCI:

(in thousands)	Redeemable noncontrolling interests
Balance at December 31, 2023	\$ 36,968
Net income from redeemable non-controlling interests	518
Adjustment of redeemable non-controlling interests to redemption value	3,172
Balance at March 31, 2024	\$ 40,658

Note 98 – Equity

Accumulated Other Comprehensive Income (Loss)

The following table provides a summary of the changes in the balances of accumulated other comprehensive income (loss) for the ~~nine months~~ quarter ended ~~September 30, 2023~~ ~~March 31, 2024~~:

(in thousands)	Foreign Currency			Unrealized Gains (losses) on Debt Securities AFS	Total
	Translation Adjustments	Cash Flow Hedges	—		
Balance - December 31, 2022, net of tax	\$ (23,481)	\$ 6,954	41	(16,486)	
Other comprehensive income (loss) before reclassifications	9,426	7,691	(31)	17,086	
Effective portion reclassified to net income	\$ —	\$ (3,952)	—	(3,952)	
Balance - September 30, 2023, net of tax	\$ (14,055)	\$ 10,693	\$ 10	\$ (3,352)	

(in thousands)	Foreign Currency			Unrealized Gains (Losses) on Debt Securities AFS	Total
	Translation Adjustments	Cash Flow Hedges	—		
Balance - December 31, 2023, net of tax	\$ 14,847	\$ 3,336	26	18,209	
Other comprehensive income (loss) before reclassifications	(26,476)	4,021	(3)	(22,458)	
Effective portion reclassified to net income	\$ —	(1,673)	—	(1,673)	
Balance - March 31, 2024, net of tax	\$ (11,629)	\$ 5,684	\$ 23	\$ (5,922)	

Share Repurchase

On March 6, 2024, the Company entered into an accelerated share repurchase agreement (the "ASR") with Bank of America, N.A. to repurchase an aggregate of \$70 million of the Company's common stock, par value \$0.01 per share. In connection with the launch of the ASR, on March 8, 2024, the Company paid Bank of America, N.A., an aggregate of \$70 million and received approximately 1.5 million shares of the Company's common stock. The final number of shares to be received under the ASR agreement will be determined upon completion of the transaction and will be based on the total transaction value and the average of the daily volume-weighted average share price of the Company's common stock during the term of the transaction. Final settlement of the transaction is expected to be completed in the third quarter of 2024. The Company accounted for this contract as an equity contract. If upon contract termination, an amount is owed by the Company, the contract can be net settled in cash or shares at the Company's option.

Note 109 – Share-based Compensation

Long-term Incentive Plan ("LTIP")

During the three months ended **March 31, 2021** **March 31, 2022**, **2022** **2023** and **2023** **2024**, the Compensation Committee (the "Compensation Committee") of the Company's Board of Directors ("Board") approved grants of restricted stock units ("RSUs") to executives and certain employees pursuant to the **2021 LTIP**, **2022 LTIP**, **2023 LTIP** and **2023** **2024** LTIP, respectively, all under the terms of the Company's 2022 Equity Incentive Plan. Under the LTIPs, the Company granted RSUs to eligible participants as time-based awards and/or performance-based awards.

The vesting of the RSUs is dependent upon service and/or performance conditions as defined in the award agreements. Employees that received time-based awards with service conditions are entitled to receive a specific number of shares of the Company's common stock on the vesting date if the employee provides services to the Company through the vesting date. Time-based awards generally vest over a period of three years in substantially equal installments commencing on the grant date and ending on **March 2** of each year for the **2021 LTIP**, February 25 of each year for the **2022 LTIP**, and February 24 of each year for the **2023 LTIP** and February 28 of each year for the **2024 LTIP**. In 2022 and 2023, the Company also granted time-based awards with a three year service vesting period which will cliff vest on February 25, 2025 and February 24, 2026, respectively.

For the performance-based awards under the **2021 LTIP**, **2022 LTIP**, **2023 LTIP**, and **2023** **2024** LTIP, the Compensation Committee established adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") as the primary performance measure while maintaining focus on total shareholder return through the use of a market-based total shareholder return ("TSR") performance modifier. The Adjusted EBITDA measure is based on annual **Adjusted EBITDA** targets and can result in a payout between 0% and 200%, depending on the performance level. The TSR modifier adjusts the shares earned based on the Adjusted EBITDA performance upwards or downwards (+/- 25%) based on the Company's relative TSR at the end of the three-year performance period as compared to the companies in the Russell 2000 Index. The Adjusted EBITDA performance measure will be calculated for the one-year period commencing on January 1 of the year of the grant and ending on December 31 of the same year, relative to the goals set by the Compensation Committee for this same period. The shares earned will be subject to an additional two-year service vesting period and will vest on **March 2, 2024** for the **2021 LTIP**, February 25, 2025 for the **2022 LTIP**, and February 24, 2026 for the **2023 LTIP** and February 28, 2027 for the **2024 LTIP**. Unless otherwise specified in the award agreement, or in an employment agreement, awards are forfeited if the employee voluntarily ceases to be employed by the Company prior to vesting.

The following table summarizes nonvested RSUs activity for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**:

Nonvested RSUs	Shares	Weighted-average	
		grant date	fair value
Nonvested at December 31, 2022	1,363,780	\$	38.96
Granted	778,656		37.51
Vested	(608,800)		36.92
Forfeited	(15,080)		40.52
Nonvested at September 30, 2023	1,518,556	\$	40.13

Nonvested RSUs	Shares	Weighted-average	
		grant date	fair value
Nonvested at December 31, 2023	1,799,012	\$	39.42
Granted	1,097,178		36.89
Vested	(738,996)		36.92
Forfeited	(10,220)		38.90
Nonvested at March 31, 2024	2,146,974	\$	38.56

For the three **and nine** months ended **September 30, 2023** **March 31, 2024**, the Company recognized **\$6.7** million and **\$18.8** million **\$7.3** million of share-based compensation expense, compared with **\$5.3** million and **\$14.7** million **\$5.6** million for the corresponding period in **2022** **2023**.

As of **September 30, 2023** **March 31, 2024**, the maximum unrecognized cost for RSUs was **\$36.7** million **\$64.0** million. The cost is expected to be recognized over a weighted average period of **1.8** **2.5** years.

Note 110 – Revenues

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers into primary geographical markets, nature of the products and services, and timing of transfer of goods and services. The Company's operating segments are determined by the nature of the products and services the Company provides and the primary geographical markets in which the Company operates. Revenue disaggregated by segment is discussed in Note 17, 15, *Segment Information*.

In the following tables, revenue for each segment, excluding intersegment revenues, is disaggregated by timing of revenue recognition for the periods indicated.

		Three months ended March 31, 2024					
		Three Months Ended September 30, 2023					
		Three months ended March 31, 2024					
(In thousands)		Three months ended March 31, 2024					
(In thousands)		(In thousands)	Payment Services - Puerto Rico & Caribbean	Payment Services - Latin America	Merchant Acquiring, net	Business Solutions	Total
Timing of revenue recognition	Timing of revenue recognition						
Timing of revenue recognition							
Timing of revenue recognition							
Products and services transferred at a point in time							
Products and services transferred at a point in time		\$ 107	\$ 581	\$ —	\$ 2,396	\$ 3,084	
Products and services transferred over time		34,302	41,128	40,557	54,127	170,114	
Products and services transferred over time							
		\$ 34,409	\$ 41,709	\$ 40,557	\$ 56,523	\$ 173,198	
		Three Months Ended September 30, 2022					
		Three months ended March 31, 2023					
		Three months ended March 31, 2023					
		Three months ended March 31, 2023					
		Payment Services - Payment Puerto Rico & Caribbean	Services - Merchant Latin America	Acquiring, net	Business Solutions	Latin America Payments and Solutions	Merchant Acquiring, net
		(In thousands)	(In thousands)	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Timing of revenue recognition	Timing of revenue recognition						

Products and services transferred at a point in time	\$ 89	\$ 973	\$ —	\$ 3,790	\$ 4,852
Products and services transferred at a point in time					
Products and services transferred at a point in time					
Products and services transferred over time	29,456	29,068	36,911	45,516	\$140,951
	<u>\$29,545</u>	<u>\$30,041</u>	<u>\$36,911</u>	<u>\$49,306</u>	<u>\$145,803</u>
	<u>\$</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(In thousands)	Nine months ended September 30, 2023				
	Payment Services -		Payment Services - Latin		
	Puerto Rico & Caribbean	America	Merchant Acquiring, net	Business Solutions	Total
Timing of revenue recognition					
Products and services transferred at a point in time	\$ 345	\$ 1,834	\$ —	\$ 6,053	\$ 8,232
Products and services transferred over time	100,651	105,917	122,152	163,136	491,856
	<u>\$ 100,996</u>	<u>\$ 107,751</u>	<u>\$ 122,152</u>	<u>\$ 169,189</u>	<u>\$ 500,088</u>

(In thousands)	Nine months ended September 30, 2022				
	Payment Services -		Payment Services - Latin		
	Puerto Rico & Caribbean	America	Merchant Acquiring, net	Business Solutions	Total
Timing of revenue recognition					
Products and services transferred at a point in time	\$ 244	\$ 1,405	\$ —	\$ 7,956	\$ 9,605
Products and services transferred over time	86,045	81,229	111,079	168,664	447,017
	<u>\$ 86,289</u>	<u>\$ 82,634</u>	<u>\$ 111,079</u>	<u>\$ 176,620</u>	<u>\$ 456,622</u>

Revenue concentration with a single customer, Popular, as a percentage of total revenues for the quarters ended September 30, 2023 March 31, 2024 and 2022 2023 was approximately 34% 31% and 35% 37%, respectively. For the nine months ended September 30, 2023 Accounts receivable from Popular as of March 31, 2024 and September 30, 2022 this percentage was approximately 36% March 31, 2023 amounted to \$49.3 million and 40%, \$41.2 million, respectively.

Contract Balances

The following table provides information about contract assets from contracts with customers. customers for the three months ended March 31, 2024 and the year ended December 31, 2023.

(In thousands)	(In thousands)	September 30, 2023	December 31, 2022	(In thousands)	March 31, 2024	December 31, 2023
Balance at beginning of period	Balance at beginning of period	\$ 4,749	\$ 1,715			

Services transferred to customers	Services transferred to customers	17,827	9,313
Transfers to accounts receivable	Transfers to accounts receivable	(12,244)	(6,279)
Balance at end of period	Balance at end of period	<u>\$10,332</u>	<u>\$ 4,749</u>

The current portion of contract assets is recorded as part of prepaid expenses and other assets, and the long-term portion is included in other long-term assets in the unaudited condensed consolidated balance sheets.

Accounts receivable, net at **September 30, 2023** **March 31, 2024** amounted to **\$115.8 million** **\$141.3 million**. Contract liability and contract liability - long term at **September 30, 2023** **March 31, 2024** amounted to **\$14.4 million** **\$18.9 million** and **\$34.1 million** **\$52.1 million**, respectively, and may arise when consideration is received or due in advance from customers prior to performance. The contract liability is mainly comprised of upfront fees for implementation or set up activities, including fees charged in pre-production periods in connection with hosting services. The Company regularly reviews its estimates for variable consideration on the transaction price and recognizes changes in estimates on a cumulative catch-up basis as if the most current estimate of the transaction price adjusted for variable consideration had been known as of the inception of the contract. During the three and nine months ended **September 30, 2023**, **March 31, 2024** and **2023**, the Company recognized revenue of **\$4.2 million** **\$7.8 million** and **\$12.9 million** **\$4.4 million**, respectively, that was included in the contract liability at December 31, 2022. During the three December 31, 2023 and nine months ended **September 30, 2022**, the Company recognized revenue of **\$17.0 million** and **\$29.0 million**, respectively, that was included in the contract liability at December 31, 2021, 2022, respectively.

Transaction price allocated to the remaining performance obligations

The estimated aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at **September 30, 2023** is **\$907.6 million** **March 31, 2024** was **\$891.9 million**, which is expected to be recognized over the next 1 to 6 years. This amount consists of minimums on certain master services agreements, professional service fees for implementation or set up activities related to managed services and maintenance services typically recognized over the life of the contract, and professional service fees for customizations or development of on-premise licensing agreements, which are recognized over time based on inputs relative to the total expected inputs to satisfy a performance obligation.

Note 12.11 – Current Expected Credit Losses

Allowance for Current Expected Credit Losses

Trade receivables from contracts with customers are financial assets analyzed by the Company under the expected credit loss model. To measure expected credit losses, trade receivables are grouped based on shared risk characteristics (i.e., the relevant industry sector and customer's geographical location) and days past due (i.e., delinquency status), while considering the following:

- Customers in the same geographical location share similar risk characteristics associated with the macroeconomic environment of their country.
- The Company has two main industry sectors: private and governmental. The private pool is comprised mainly of leading financial institutions, merchants and corporations, while the governmental pool is comprised of government agencies. The governmental customers possess different risk characteristics than private customers because although all invoices are due 30 days after issuance, governmental customers usually pay within 60 to 90 days after issuance (i.e., approximately 30 to 60 more days than private customers).
- The expected credit loss rate is likely to increase as receivables move to older aging buckets. The Company used the following aging categories to estimate the risk of delinquency status: (i) 0 days past due; (ii) 1-30 days past due; (iii) 31-60 days past due; (iv) 61-90 days past due; and (v) over 90 days past due.

The credit losses of the Company's trade receivables have been low historically and most balances are collected within one year. Therefore, the Company determined that the expected loss rates should be calculated using the historical loss rates adjusted by macroeconomic factors. The historical rates are calculated for each of the aging categories used for pooling trade receivables. To determine the collected portion of each bucket, the collection time of each trade receivable is identified, to estimate the proportion of outstanding balances per aging bucket that ultimately will not be collected. This is used to determine the expectation of losses based on the history of uncollected trade receivables once the specific past due period is surpassed. The historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables by applying a country risk premium as the forward-looking macroeconomic factor. Specific reserves are established for certain customers for which collection is doubtful.

Rollforward of the Allowance for Expected Current Credit Losses

The following table provides information about the allowance for expected current credit losses on trade receivables for the three months ended **March 31, 2024** and the year ended **December 31, 2023**

(in thousands)		September December		March 31, 2024	December 31, 2023
(in thousands)	(in thousands)	30, 2023	31, 2022		
Balance at beginning of period	Balance at beginning of period	\$ 2,159	\$ 2,523		
Current period provision for expected credit losses	Current period provision for expected credit losses	956	754		
Write-offs	Write-offs	(197)	(1,268)		
Recoveries of amounts previously written-off	Recoveries of amounts previously written-off	17	150		
Balance at end of period	Balance at end of period	\$ 2,935	\$ 2,159		

The Company does not have a delinquency threshold for writing-off trade receivables. The Company has a formal process for the review and approval of write-offs.

Impairment losses on trade receivables are presented as net impairment losses within cost of revenue, exclusive of depreciation and amortization in the unaudited condensed consolidated statements of income and comprehensive income. Subsequent recoveries of amounts previously written-off, when applicable, are credited against the allowance for expected current credit losses within accounts receivable, net on the unaudited condensed consolidated balance sheets.

Note 13.12 – Income Tax

The components of income tax expense for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, consisted of the following:

(in thousands)	(in thousands)	Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
(in thousands)					
(in thousands)					
Current tax provision	Current tax provision				
Current tax provision	Current tax provision	\$ 8,166	\$ 9,537	\$ 21,037	\$ 24,610
Deferred tax benefit	Deferred tax benefit	(13,024)	(489)	(16,491)	(1,699)
Deferred tax benefit	Deferred tax benefit				
Income tax (benefit) expense	Income tax (benefit) expense	\$ (4,858)	\$ 9,048	\$ 4,546	\$ 22,911
Income tax (benefit) expense	Income tax (benefit) expense				

The Company conducts operations in Puerto Rico, the United States, and certain countries in Latin America. As a result, the income tax expense includes the effect of taxes paid to the government of Puerto Rico as well as foreign jurisdictions. The following table presents the components of income tax expense for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, and its segregation based on location of operations:

Three months ended September 30,	Nine months ended September 30,
----------------------------------	---------------------------------

(In thousands)	(In thousands)	2023	2022	2023	2022
(In thousands)					
(In thousands)					
Current tax provision					
Current tax provision					
Current tax provision	Current tax provision				
Puerto Rico	Puerto Rico	\$ 1,851	\$ 6,318	\$ 5,626	\$ 11,809
Puerto Rico					
Puerto Rico					
United States					
United States					
United States	United States	80	44	138	107
Foreign countries	Foreign countries	6,235	3,175	15,273	12,694
Foreign countries					
Foreign countries					
Total current tax provision					
Total current tax provision					
Total current tax provision	Total current tax provision	\$ 8,166	\$ 9,537	\$ 21,037	\$ 24,610
Deferred tax benefit					
Deferred tax benefit					
Deferred tax benefit					
Deferred tax benefit					
Puerto Rico					
Puerto Rico					
Puerto Rico	Puerto Rico	\$ (11,169)	\$ 719	\$ (11,593)	\$ (321)
United States	United States	34	54	38	9
United States					
United States					
Foreign countries					
Foreign countries					
Foreign countries	Foreign countries	(1,889)	(1,262)	(4,936)	(1,387)
Total deferred tax benefit	Total deferred tax benefit	\$ (13,024)	\$ (489)	\$ (16,491)	\$ (1,699)
Total deferred tax benefit					
Total deferred tax benefit					

Taxes payable to foreign countries by EVERTEC's subsidiaries ~~will be~~ is paid by such subsidiary and the corresponding liability and expense will be presented in EVERTEC's consolidated financial statements.

As of ~~September 30, 2023~~ ~~March 31, 2024~~, the Company had ~~\$130.6 million~~ ~~\$139.8 million~~ of unremitted earnings from foreign subsidiaries, compared to ~~\$115.5~~ ~~\$137.0 million~~ as of ~~December 31, 2022~~ ~~December 31, 2023~~. The Company has not recognized a deferred tax liability on undistributed earnings for the Company's foreign subsidiaries because these earnings are intended to be indefinitely reinvested.

As of ~~September 30, 2023~~ ~~March 31, 2024~~, the gross deferred tax asset amounted to ~~\$29.9 million~~ ~~\$71.1 million~~ and the gross deferred tax liability amounted to ~~\$20.0 million~~ ~~\$100.1 million~~, compared to ~~\$17.9 million~~ ~~\$65.4 million~~ and ~~\$20.7 million~~ ~~\$100.9 million~~, respectively, as of ~~December 31, 2022~~ ~~December 31, 2023~~. As of ~~September 30, 2023~~ ~~March 31, 2024~~, and ~~December 31, 2022~~ ~~December 31, 2023~~, there is a valuation allowance against the gross deferred tax asset of approximately ~~\$2.4~~ ~~\$4.7 million~~ and ~~\$1.6 million~~ ~~\$4.6 million~~, respectively.

The Company estimates that it is reasonably possible that the liability for uncertain tax position created from acquisitions in foreign jurisdictions will decrease by approximately \$2.6 million in the next 12 months as a result of the expiration of the statute of limitations.

Income tax expense differs from the amount computed by applying the Puerto Rico statutory income tax rate to the income before income taxes as a result of the following:

	Nine months ended September 30,			Three months ended March 31,		2023	
	(In thousands)	(In thousands)	2023	2022	(In thousands)	2024	
Computed income tax at statutory rates	Computed income tax at statutory rates		\$27,231	\$87,402			
Differences in tax rates due to multiple jurisdictions	Differences in tax rates due to multiple jurisdictions		3,034	2,612			
Effect of income subject to tax-exemption grant	Effect of income subject to tax-exemption grant		(24,697)	(26,262)			
Effect of the gain on sale of a business			—	(39,645)			
Unrecognized tax expense							
Unrecognized tax expense							
Unrecognized tax expense	Unrecognized tax expense		103	(3,472)			
Excess tax benefits on share-based compensation	Excess tax benefits on share-based compensation		11	169			
Tax credits for research and development activities	Tax credits for research and development activities		(884)	—			
Other, net	Other, net		(252)	2,107			
Other, net							
Other, net							
Income tax expense	Income tax expense		\$ 4,546	\$ 22,911			

Note 14.13 – Net Income Per Common Share

The reconciliation of the numerator and the denominator of the net income per common share is as follows:

	Three Months Ended September 30,			Nine months ended September 30,		(In thousands, except per share information)	Three Months Ended March 31,		2023
	(In thousands, except per share information)	2023	2022	(In thousands, except per share information)	2023	2022	(In thousands, except per share information)	2024	

Net income available to EVERTEC, Inc.'s common shareholders	Net income available to EVERTEC, Inc.'s common shareholders	\$ 10,036	\$ 137,814	\$ 68,243	\$ 210,301
Weighted average common shares outstanding	Weighted average common shares outstanding	64,648,542	66,398,547	64,886,551	69,906,483
Weighted average potential dilutive common shares (1)	Weighted average potential dilutive common shares (1)	1,130,717	647,262	819,045	682,432
Weighted average common shares outstanding - assuming dilution	Weighted average common shares outstanding - assuming dilution	65,779,259	67,045,809	65,705,596	70,588,915
Net income per common share - basic	Net income per common share - basic	\$ 0.16	\$ 2.08	\$ 1.05	\$ 3.01
Net income per common share - diluted	Net income per common share - diluted	\$ 0.15	\$ 2.06	\$ 1.04	\$ 2.98

(1) Potential common shares consist of common stock issuable under RSUs awards using the treasury stock method. Shares excluded from the dilution calculation because they were anti-dilutive amounted to 0.4 million.

On February 16, 2023, April 20, 2023 and July 20, 2023, respectively February 15, 2024 the Company's Board declared quarterly cash dividends of \$0.05 per share of common stock, which was paid on March 17, 2023 March 15, 2024, June 2, 2023 and September 1, 2023, respectively to stockholders' of record on February 28, 2023, May 1, 2023 and July 31, 2023, respectively February 27, 2024.

Note 15.14 – Commitments and Contingencies

EVERTEC is a defendant in a number of legal proceedings arising in the ordinary course of business. Based on the opinion of legal counsel and other factors, management believes that the final disposition of these matters will not have a material adverse effect on the business, results of operations, financial condition, or cash flows of the Company. The Company has identified certain claims in which a loss may be incurred, but in the aggregate the loss would be insignificant. For other claims, regarding where the proceedings that are in an initial phase, the Company is unable to estimate the range of possible loss, if any, but at this time, management believes that any loss related to such claims will not be material.

Note 16 – Related Party Transactions

In connection with closing of the Popular Transaction on July 1, 2022, the Company terminated the existing stockholder agreement with Popular, which granted Popular certain benefits as a shareholder of the Company. In addition, on August 15, 2022, through a secondary offering, Popular sold its remaining shares of common stock of Evertec and as of that date no longer holds any shares of EVERTEC common stock. EVERTEC is no longer considered a subsidiary of Popular under the Bank Holding Company Act of 1956, as amended (the "Bank Holding Company Act"). Given both the termination of the stockholder agreement and that Popular is no longer a shareholder of EVERTEC, management concluded that Popular is no longer a related party as of August 15, 2022.

The following table presents the Company's transactions with Popular for the three and nine months ended September 30, 2022 while they were deemed a related party:

	Three months ended September 30,	Nine months ended September 30,
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(In thousands)	2022 (1)	2022 (1)
Total revenues	\$ 22,782	\$ 153,335
Cost of revenues	\$ 653	\$ 2,386
Operating lease cost and other fees	\$ 807	\$ 4,433
Interest earned from affiliate		
Interest income	\$ 231	\$ 1,011

(1) Amounts presented through August 15, 2022.

Note 17.15 – Segment Information

The Company operates in four business segments: Payment Services - Puerto Rico & Caribbean, Payment Services - Latin America (collectively "Payment Services segments"), Payments and Solutions, Merchant Acquiring, and Business Solutions.

The Payment Services - Puerto Rico & Caribbean segment revenues are comprised of revenues related to providing access to the ATH debit network and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and point of sale ("POS") transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), ATH Movil (person-to-person) and ATH Business (person-to-merchant) digital transactions and EBT (which principally consist of services to the government of Puerto Rico for the delivery of benefits to participants). For ATH debit network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from network fees, transaction switching and processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed and other processing services. For EBT services, revenues are primarily derived from the number of beneficiaries on file.

The Payment Services - Latin America Payments and Solutions segment revenues consist of revenues related to providing access to the ATH network of ATMs and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), as well as licensed software solutions for risk and fraud management and card payment processing. For network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from transaction switching, processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed, and other processing services.

Solutions revenues consist of (a) licensing, support and maintenance ("subscription"), implementation and customization of software used to provide financial products in areas such as core banking, credit, investments, payments, foreign exchange, mutual funds, pension funds and consortium, in addition to software used to execute processes such as digital onboarding, digital signature and digital collection; and (b) outsourcing of mission critical IT services. Revenues are based on monthly fixed fees and, in several cases, variable fees based on usage.

The Merchant Acquiring segment consists of revenues from services that allow merchants to accept electronic methods of payment. In the Merchant Acquiring segment, revenues include a discount fee and membership fees charged to merchants, debit network fees and rental fees from POS devices and other equipment, net of credit card interchange and assessment fees charged by credit cards associations (such as VISA or MasterCard) or payment networks. The discount fee is generally a percentage of the transaction value. EVERTEC also charges merchants for other services that are unrelated to the number of transactions or the transaction value.

The Business Solutions segment consists of revenues from a full suite of business process management solutions in various product areas such as core bank processing, network hosting and management, IT professional services, business process outsourcing, item processing, cash processing, and fulfillment. Core bank processing and network services revenues are derived in part from a recurrent fixed fee and from fees based on the number of accounts on file (i.e., savings or checking accounts, loans, etc.), server capacity usage or computer resources utilized. Revenues from other processing services within the Business Solutions segment are generally volume-based and depend on factors such as the number of accounts processed. In addition, EVERTEC is a reseller of hardware and software products and these resale transactions are generally non-recurring.

In addition to the four operating segments described above, management identified certain functional cost areas that operate independently and do not constitute businesses in themselves. These areas could neither be concluded as operating segments nor could they be combined with any other operating segments. Therefore, these areas are aggregated and presented within the "Corporate and Other" category in the financial statements alongside the operating segments. The Corporate and Other category consists of corporate overhead expenses, intersegment eliminations, certain leveraged activities and other non-operating and miscellaneous expenses that are not included in the operating segments. The overhead and leveraged costs relate to activities such as:

- marketing,
- corporate finance and accounting,
- human resources,

- legal,
- risk management functions,
- internal audit,
- corporate debt related costs,
- non-operating depreciation and amortization expenses generated as a result of merger and acquisition activity,
- intersegment revenues and expenses, and
- other non-recurring fees and expenses that are not considered when management evaluates financial performance at a segment level

The Chief Operating Decision Maker ("CODM") reviews the operating segments separate financial information to assess performance and to allocate resources. Management evaluates the operating results of each of its operating segments based upon revenues and Adjusted EBITDA. Effective for the quarter ended March 31, 2023, the Company modified the manner in which it calculates and reports Adjusted EBITDA presented to the CODM for assessing segment performance to exclude the impact of non-cash unrealized gains and losses from foreign currency remeasurement. Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain non-cash unrealized items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, equity investment income net of dividends received, and the impact from unrealized gains and losses on foreign currency remeasurement for assets and liabilities in non-functional currency. Adjusted EBITDA, as it relates to operating segments, is presented in conformity with ASC Topic 280, *Segment Reporting*, given that it is reported to the CODM for purposes of allocating resources. The Company has recast prior periods to conform with the modified definition of Adjusted EBITDA. Segment asset disclosure is not used by the CODM as a measure of segment performance since the segment evaluation is driven by revenues and Adjusted EBITDA. As such, segment assets are not disclosed in the notes to the unaudited condensed consolidated financial statements.

The following tables set forth information about the Company's operations by its four business segments for the periods indicated:

Three Months Ended September 30, 2023										Three Months Ended March 31, 2024							Three Months Ended March 31, 2024																
(In thousands)		(In thousands)		Payment Services - Payment						Payment Services - Puerto Rico & Caribbean						Latin America Payments			Merchant Solutions			Business Acquiring, net			Corporate Solutions			Corporate and Other			Total		
				Puerto Rico	Services - & Caribbean	Latin America	Merchant	Business	Acquiring, net	Solutions	(1)	Total	(In thousands)	Caribbean	Solutions	Acquiring, net	Solutions	(1)	Total	(In thousands)	Caribbean	Solutions	Acquiring, net	Solutions	(1)	Total							
Revenues		Revenues		\$ 51,600	\$ 46,155	\$ 40,557	\$ 56,522	\$ (21,636)	\$ 173,198																								
Operating costs and expenses		Operating costs and expenses		28,402	38,608	26,997	40,643	(1,014)	133,636																								
Depreciation and amortization		Depreciation and amortization		6,203	4,898	1,078	4,478	5,262	21,919																								
Non-operating income (expenses)		Non-operating income (expenses)		110	(2,148)	—	69	(28,712)	(30,681)																								
EBITDA		EBITDA		29,511	10,297	14,638	20,426	(44,072)	30,800																								
Compensation and benefits (2)		Compensation and benefits (2)		663	859	662	696	4,090	6,970																								
Transaction, refinancing and other fees (3)		Transaction, refinancing and other fees (3)		269	3,451	—	—	34,363	38,083																								
Transaction, refinancing and other (3)																																	
(Gain) loss on foreign currency remeasurement (4)		(Gain) loss on foreign currency remeasurement (4)		(87)	2,885	—	—	8	2,806																								
Adjusted EBITDA		Adjusted EBITDA		\$ 30,356	\$ 17,492	\$ 15,300	\$ 21,122	\$ (5,611)	\$ 78,659																								

(1) Corporate and Other consists of corporate overhead, certain leveraged activities, other non-operating expenses and intersegment eliminations. Intersegment revenue eliminations predominantly reflect the \$13.5 million processing fee from Payments Services - Puerto Rico & Caribbean to Merchant Acquiring, intercompany software developments and transaction processing transaction-processing of

\$4.4 \$4.1 million from Payment Services- Latin America Payments and Solutions to both Payment Services- Puerto Rico & Caribbean and Business Solutions, and transaction processing transaction-processing and monitoring fees of \$3.7 \$4.5 million from Payment Services - Puerto Rico & Caribbean to Payment Services - Latin America Payments and Solutions.

- (2) Primarily represents share-based compensation and severance payments.
- (3) Primarily represents fees and expenses associated with corporate transactions as defined in the Credit Agreement, the foreign currency swap loss elimination of unrealized gains from equity securities and the elimination of unrealized equity earnings from our 19.99% equity investment in Consorcio de Tarjetas Dominicanas S.A., net of dividends received. investments.
- (4) Represents non-cash unrealized gains (losses) on foreign currency remeasurement for assets and liabilities denominated in non-functional currencies.

Three Months Ended September 30, 2022										Three Months Ended March 31, 2023					Three Months Ended March 31, 2023				
(In thousands)	(In thousands)	Three Months Ended March 31, 2023					(In thousands)	Three Months Ended March 31, 2023					(In thousands)						
		Payment Services - Puerto Rico	Payment Services - Latin America	Merchant Acquiring, net	Business Solutions	Corporate and Other (1)		Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Corporate and Other (1)							
Revenues	Revenues																		
Revenues	Revenues	\$ 44,592	\$ 33,741	\$ 36,911	\$ 49,306	\$ (18,747)	\$ 145,803												
Operating costs and expenses	Operating costs and expenses	26,960	28,513	25,261	38,522	2,729	121,985												
Depreciation and amortization	Depreciation and amortization	5,116	4,104	1,045	3,745	5,702	19,712												
Non-operating income (expenses)	Non-operating income (expenses)	385	(7,094)	348	136,218	(932)	128,925												
EBITDA	EBITDA	23,133	2,238	13,043	150,747	(16,706)	172,455												
Compensation and benefits (2)	Compensation and benefits (2)	1,557	972	498	503	2,141	5,671												
Transaction, refinancing and other fees (3)		330	—	325	(134,974)	8,581	(125,738)												
Loss on foreign currency remeasurement (4)		68	7,725	—	—	(14)	7,779												
Transaction, refinancing and other (3)																			
Loss (gain) on foreign currency remeasurement (4)																			
Adjusted EBITDA	Adjusted EBITDA	\$ 25,088	\$ 10,935	\$ 13,866	\$ 16,276	\$ (5,998)	\$ 60,167												

- (1) Corporate and Other consists of corporate overhead, certain leveraged activities, other non-operating expenses and intersegment eliminations. Intersegment revenue eliminations predominantly reflect the \$12.3 \$13.0 million processing fee from Payments Services - Puerto Rico & Caribbean to Merchant Acquiring, intercompany software developments and transaction processing transaction-processing of \$3.7 \$4.0 million from Payment Services - Latin America Payments and Solutions to both Payment Services - Puerto Rico & Caribbean and Business Solutions, and transaction processing transaction-processing and monitoring fees of \$2.8 \$2.9 million from Payment Services - Puerto Rico & Caribbean to Payment Services - Latin America.
- (2) Primarily represents share-based compensation and severance payments.
- (3) Primarily represents fees and expenses associated with corporate transactions as defined in the 2018 Credit Agreement, the gain from the Popular transaction and the elimination of unrealized equity earnings from our 19.99% equity investment in Consorcio de Tarjetas Dominicanas S.A., net of dividends received.
- (4) Represents non-cash unrealized gains (losses) on foreign currency remeasurement for assets and liabilities denominated in non-functional currencies.

Nine months ended September 30, 2023									
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(In thousands)	Payment						Corporate and Other ⁽¹⁾	Total		
	Services - Puerto Rico & Caribbean		Payment Services - Latin America		Merchant Acquiring, net					
	Business Solutions									
Revenues	\$ 150,824	\$ 120,548	\$ 122,152	\$ 169,188	\$ (62,624)	\$ 500,088				
Operating costs and expenses	85,019	101,586	81,302	118,653	(897)	385,663				
Depreciation and amortization	18,178	13,002	3,357	13,436	15,707	63,680				
Non-operating income (expenses)	590	(3,643)	308	667	(27,902)	(29,980)				
EBITDA	84,573	28,321	44,515	64,638	(73,922)	148,125				
Compensation and benefits ⁽²⁾	2,033	2,510	2,054	2,226	12,693	21,516				
Transaction, refinancing and other fees ⁽³⁾	850	3,704	—	—	38,741	43,295				
(Gain) loss on foreign currency remeasurement ⁽⁴⁾	(41)	7,372	—	—	6	7,337				
Adjusted EBITDA	<u>\$ 87,415</u>	<u>\$ 41,907</u>	<u>\$ 46,569</u>	<u>\$ 66,864</u>	<u>\$ (22,482)</u>	<u>\$ 220,273</u>				

(1) Corporate and Other consists of corporate overhead, certain leveraged activities, other non-operating expenses and intersegment eliminations. Intersegment revenue eliminations predominantly reflect the \$39.9 million processing fee from Payments Services - Puerto Rico & Caribbean to Merchant Acquiring, intercompany software developments and transaction processing of \$12.8 million from Payment Services- Latin America to both Payment Services- Puerto Rico & Caribbean Payments and Business Solutions, and transaction processing and monitoring fees of \$9.9 million from Payment Services - Puerto Rico & Caribbean to Payment Services - Latin America. Solutions.

(2) Primarily represents share-based compensation and severance payments.

(3) Primarily represents fees and expenses associated with corporate transactions as defined in the Credit Agreement, the foreign currency swap loss and the elimination of unrealized equity earnings from our 19.99% equity investment in Consorcio de Tarjetas Dominicanas S.A. net of dividends received. investments.

(4) Represents non-cash unrealized gains (losses) on foreign currency remeasurement for assets and liabilities denominated in non-functional currencies.

(In thousands)	Nine months ended September 30, 2022							
	Payment							
	Services - Puerto Rico & Caribbean		Payment Services - Latin America		Merchant Acquiring, net		Business Solutions	
Revenues	\$ 130,678	\$ 93,308	\$ 111,079	\$ 176,620	\$ (55,063)	\$ 456,622		
Operating costs and expenses	76,920	77,132	68,288	117,747	25	340,112		
Depreciation and amortization	15,062	9,628	3,104	12,787	17,851	58,432		
Non-operating income (expenses)	928	(3,365)	980	137,542	(3,560)	132,525		
EBITDA	69,748	22,439	46,875	209,202	(40,797)	307,467		
Compensation and benefits ⁽²⁾	2,569	2,758	1,284	1,503	7,241	15,355		
Transaction, refinancing and other fees ⁽³⁾	330	—	325	(134,990)	11,615	(122,720)		
Loss on foreign currency remeasurement ⁽⁴⁾	230	5,596	—	—	1,032	6,858		
Adjusted EBITDA	<u>\$ 72,877</u>	<u>\$ 30,793</u>	<u>\$ 48,484</u>	<u>\$ 75,715</u>	<u>\$ (20,909)</u>	<u>\$ 206,960</u>		

(1) Corporate and Other consists of corporate overhead, certain leveraged activities, other non-operating expenses and intersegment eliminations. Intersegment revenue eliminations predominantly reflect the \$36.5 million processing fee from Payments Services - Puerto Rico & Caribbean to Merchant Acquiring, intercompany software developments and transaction processing of \$10.7 million from Payment Services- Latin America to both Payment Services- Puerto Rico & Caribbean and Business Solutions, and transaction processing and monitoring fees of \$7.9 million from Payment Services - Puerto Rico & Caribbean to Payment Services - Latin America.

(2) Primarily represents share-based compensation and severance payments.

(3) Primarily represents fees and expenses associated with corporate transactions as defined in the 2018 Credit Agreement, the gain from the Popular transaction and the elimination of unrealized equity earnings from our 19.99% equity investment in Consorcio de Tarjetas Dominicanas S.A., net of dividends received.

(4) Represents non-cash unrealized gains (losses) on foreign currency remeasurement for assets and liabilities denominated in non-functional currencies.

The reconciliation of consolidated net income to EBITDA is as follows:

		Three months ended September 30,		Nine months ended September 30,	
(in thousands)	(in thousands)	2023	2022	2023	2022
(in thousands)					
Net Income					
Net Income					
Net Income	Net Income	\$ 9,956	\$ 137,739	\$ 68,069	\$ 210,161
Add:	Add:				
Income tax (benefit) expense		(4,858)	9,048	4,546	22,911
Add:					
Income tax expense					
Income tax expense					
Income tax expense					
Interest expense, net					
Interest expense, net					
Interest expense, net	Interest expense, net	3,783	5,956	11,830	15,963
Depreciation and amortization	Depreciation and amortization	21,919	19,712	63,680	58,432
Depreciation and amortization					
Depreciation and amortization					
Total EBITDA	Total EBITDA	\$ 30,800	\$ 172,455	\$ 148,125	\$ 307,467
Total EBITDA					
Total EBITDA					

Note 16 – Supplemental Statement of Cash Flows Information

Supplemental statement of cash flows information is as follows:

		Three months ended March 31,	
(in thousands)		2024	2023
Supplemental disclosure of cash flow information:			
Cash paid for interest			
Cash paid for interest		18,924	5,874
Cash paid for income taxes		4,250	6,119
Supplemental disclosure of non-cash activities:			
Payable due to vendor related to equipment and software acquired		5,550	5,282
Accounts payable related to business acquisition		—	881
Right-of-use assets obtained in exchange for operating lease liabilities		2,693	—

Reconciliation of cash, cash equivalents, restricted cash and cash included in settlement assets as presented on the cash flow statement was as follows:

		Three months ended March 31,	
(in thousands)		2024	2023
Cash and cash equivalents		293,666	114,201
Restricted cash		23,597	\$ 19,015
Cash and cash equivalents included in settlement assets		20,324	59,461
Cash, cash equivalents, restricted cash and cash included in settlement assets		337,587	192,677

Note 1817 – Subsequent Events

On **October 19, 2023** **April 18, 2024**, the Board declared a regular quarterly cash dividend of \$0.05 per share on the Company's outstanding shares of common stock. The dividend **will** be paid on **December 1, 2023** **June 7, 2024** to stockholders of record as of the close of business on **October 30, 2023** **April 29, 2024**. The Board anticipates declaring this dividend in future quarters on a regular basis; however future declarations of dividends are subject to the Board's approval and may be adjusted as business needs or market conditions change.

On July 20, 2023, the Company entered into a Merger Agreement and Other Covenants (the "Merger Agreement"), by and among Evertec Brasil Informática S.A., a wholly-owned subsidiary of Evertec ("Evertec BR"), Sinqia S.A., a publicly held company incorporated and existing in accordance with the laws of the Federative Republic of Brazil ("Sinqia"), and certain other Key Shareholders (as defined therein), as shareholders of Sinqia. The Board and the board of directors of Sinqia (the "Sinqia Board") have unanimously approved the Merger Agreement. Pursuant to and on the terms and subject to the conditions set forth in the Merger Agreement, a business combination of Evertec BR and Sinqia (the "Sinqia Transaction") will be carried out through a merger of all shares issued by Sinqia into Evertec BR pursuant to provisions of the Brazilian Corporations Law and other applicable Brazilian laws and regulations (the "Merger of Shares"), and as a result of such Merger of Shares, Sinqia will become a wholly-owned subsidiary of Evertec BR.

On September 14, 2023, the Merger Transaction received Sinqia shareholder approval, a closing condition in the Merger Agreement. The Sinqia Transaction is expected to close in the fourth quarter of 2023 and is subject to the satisfaction or waiver of customary closing conditions. Evertec intends to finance the Sinqia Transaction with cash on hand and committed financing of \$600 million.

On September 12, 2023, the Company formally registered a Brazilian Depositary Receipts ("BDR") program with the Brazilian securities and exchange commission ("BDR Program"), in order to have securities backed by Evertec shares trading in the B3, the Brazilian stock exchange. The BDR Program has not been funded, no Evertec common stock underlying such BDRs has been issued, and no BDRs are actively trading on the B3. On October 24, 2023, the Company submitted to the NYSE a supplemental application review form requesting to reserve 1,168,555 shares of common stock, with a par value of \$0.01 underlying 1,168,555 BDRs which will be issued as consideration pursuant to the Merger Agreement. October 27, 2023, the reserve was approved by the NYSE.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") covers: (i) the results of operations for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** and (ii) the financial condition as of **September 30, 2023** **March 31, 2024**. You should read the following discussion and analysis in conjunction with the audited consolidated financial statements (the "Audited Consolidated Financial Statements") and related notes for the year ended **December 31, 2022** **December 31, 2023**, included in the Company's Annual Report on Form 10-K as filed with the SEC on **February 24, 2023** **February 29, 2024** and with the unaudited condensed consolidated financial statements (the "Unaudited Condensed Consolidated Financial Statements") and related notes appearing elsewhere herein. This MD&A contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those indicated in the forward-looking statements. See "Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions associated with these statements.

Except as otherwise indicated or unless the context otherwise requires, (a) the terms "EVERTEC," "we," "us," "our," "our Company" and "the Company" refer to EVERTEC, Inc. and its subsidiaries on a consolidated basis (b) the term "Holdings" refers to EVERTEC Intermediate Holdings, LLC, but not any of its subsidiaries and, (c) (b) the term "EVERTEC Group" refers to EVERTEC Group, LLC and its predecessor entities and their subsidiaries on a consolidated basis. EVERTEC Inc.'s subsidiaries include Holdings, EVERTEC Group, Group; EVERTEC Dominicana, SAS, SAS; Evertec Chile Holdings SpA (formerly known as Tecnopago SpA), SpA; Evertec Chile SpA (formerly known as EFT Group SpA), SpA; Evertec Chile Global SpA (formerly known as EFT Global Services SpA), SpA; Evertec Chile Servicios Profesionales SpA (formerly known as EFT Servicios Profesionales SpA), EFT Group S.A., SpA; Tecnopago España SL, SL; Paytrue S.A., Caleidon, Caleidon; S.A.; Evertec Brasil Informática Ltda. (formerly known as Paytrue Solutions Informática Ltda.), S.A.; EVERTEC Panamá, S.A.; EVERTEC Costa Rica, S.A. ("EVERTEC CR"); EVERTEC Guatemala, S.A.; Evertec Colombia, SAS (formerly known as Processa, SAS) SA; EVERTEC USA, LLC, LLC; OPG Technology Corp.; Evertec Placetopay, SAS (formerly known as EGM Ingeniería sin Fronteras, S.A.S. ("PlacetoPay")); BBR Chile, SpA and BBR Perú, S.A.C. (collectively "BBR"); Paysmart Pagamentos Eletronicos Ltda, Issuer Holding Ltda. and Issuer Instituição de Pagamentos Ltda (collectively "paySmart"); EVERTEC México Servicios de Procesamiento, S.A. de C.V.; Sinqia S.A., Torq. Inovação Digital Ltda, Sinqia Tecnologia Ltda., Homie do Brasil Informática S.A., Rosk Software S.A., Lote 45 Participações S.A., and Compliasset S.A. (collectively "Sinqia"). Neither EVERTEC nor EVERTEC Intermediate Holdings, LLC conducts any operations other than with respect to its indirect or direct ownership of EVERTEC Group.

Executive Summary

EVERTEC is a leading full-service transaction-processing business and financial technology provider in Latin America, Puerto Rico, and the Caribbean, providing a broad range of merchant acquiring, payment services and business process management services. According to the September 2022 Nilson Report, we are one of the largest merchant acquirers in Latin America based on total number of transactions and we believe we are the largest merchant acquirer in the Caribbean. We serve operate across 26 countries out of 120 offices, including our headquarters in Puerto Rico. We own and operate the ATH network, which we believe is one of the leading personal identification number ("PIN") debit networks in Latin America. We process over six billion transactions annually through a system of electronic payment networks in Puerto Rico and Latin America and a comprehensive suite of services for core banking, cash processing, and fulfillment in Puerto Rico. Additionally, we offer technology outsourcing and payment transactions fraud monitoring to all the regions we serve. We serve a diversified customer base of leading financial institutions, merchants, corporations, and government agencies with "mission-critical" technology solutions that enable them to issue, process and accept transactions securely. We believe our business is well-positioned to continue to expand across the fast-growing Latin American region.

We are differentiated, in part, by our diversified business model, which enables us to provide our varied customer base with a broad range of transaction-processing services from a single source across numerous channels and geographic markets. We believe this capability provides several competitive advantages that will enable us to continue to penetrate

our existing customer base with complementary new services, win new customers, develop new sales channels, and enter new markets. We believe these competitive advantages include:

- Our ability to provide competitive products;
- Our ability to provide in one package a range of services that traditionally had to be sourced from different vendors;
- Our ability to serve customers with disparate operations in several geographies with technology solutions that enable them to manage their business as one enterprise; and
- Our ability to capture and analyze data across the transaction-processing value chain and use that data to provide value-added services that are differentiated from those offered by pure-play vendors that serve only one portion of the transaction-processing value chain (such as only merchant acquiring or payment services).

Our broad suite of services spans the entire transaction processing value chain and includes a range of front-end customer-facing solutions such as the electronic capture and authorization of transactions at the point-of-sale for both card present transactions and card not present transactions, as well as back-end support services such as the clearing and settlement of transactions and account reconciliation for card issuers. These include: (i) merchant acquiring services, which enable point of sales ("POS") and e-commerce merchants to accept and process electronic methods of payment such as debit, credit, prepaid and electronic benefit transfer ("EBT") EBT cards; (ii) payment processing services, which enable financial institutions and other issuers to manage, support and facilitate the processing for credit, debit, prepaid, automated teller machines ("ATM") and EBT card programs; and (iii) business process management solutions, which provide "mission-critical" technology solutions such as core bank processing, as well as IT outsourcing and cash management services to financial institutions, corporations and governments. We provide these services through scalable, end-to-end technology platforms that we manage and operate in-house and that generate significant operating efficiencies that enable us to maximize profitability.

We sell and distribute our services primarily through a proprietary direct sales force with established customer relationships. We continue to pursue joint ventures and merchant acquiring alliances. We benefit from an attractive business model, the hallmarks of which are recurring revenue, scalability, significant operating margins and moderate capital expenditure requirements. Our revenue is predominantly recurring in nature because of the mission-critical and embedded nature of the services we provide. In addition, we generally enter into multi-year contracts with our customers. We believe our business model should enable us to continue to grow our business organically in the primary markets we serve without significant incremental capital expenditures.

2024 Developments

On March 4, 2024 the Board of Directors (the "Board") of Evertec approved an increase to Evertec's existing share repurchase authorization to permit future repurchases of up to an aggregate of \$220 million worth of shares of the Company's common stock, par value \$0.01 per share by December 31, 2025. Prior to this increase, the Company's share repurchase program authorization had approximately \$137 million remaining. Under the repurchase program, the Company may repurchase shares in the open market, through accelerated share repurchase programs, Rule 10b5-1 plans, or in privately negotiated transactions.

On March 6, 2024, the Company entered into an accelerated share repurchase agreement (the "ASR") with Bank of America, N.A. to repurchase an aggregate of \$70 million of the Company's common stock, par value \$0.01 per share. In connection with the launch of the ASR, on March 8, 2024, the Company paid Bank of America, N.A., an aggregate of \$70 million and received approximately 1.5 million shares of the Company's common stock. The final number of shares to be received under the ASR agreement will be determined upon completion of the transaction and will be based on the total transaction value and the average of the daily volume-weighted average share price of the Company's common stock during the term of the transaction. Final settlement of the transaction is expected to be completed in the third quarter of 2024.

Factors and Trends Affecting the Results of Our Operations

The ongoing migration from cash and paper methods of payment to electronic payments continues to benefit the transaction-processing industry globally. We believe that the penetration of electronic payments in the markets in which we operate is significantly lower relative to the U.S. market, which, together with the ongoing shift from cash and paper methods of payment to electronic payments will continue to generate growth opportunities for our business. For example, currently the adoption of banking products, including electronic payments, in the Latin America and Caribbean region is lower relative to the mature U.S. and European markets. We believe that the unbanked and underbanked population in our markets will continue to shrink, and therefore drive incremental penetration and growth of electronic payments in Puerto Rico and other Latin America regions. We also benefit from the outsourcing of technology systems and processes trend for financial institutions and government. Many medium- and small-size institutions in the Latin America markets in which we operate have outdated systems and updating these IT legacy systems is financially and logically challenging, which presents a business opportunity for us.

In recent years, consumer preference has accelerated its shift away from cash and paper payment methods, noting increased demand for omni-channel payment services that facilitate cashless and contactless transactions. The markets in which we operate, particularly Latin America and the Caribbean, continue to grow and consumer preference is driving an increase for electronic payments usage. Latin America is one of the fastest-growing mobile markets globally, with a growing base of tech-savvy customers that demonstrate a preference for credit cards, digital wallets, contactless payments, and other value-added offerings. The region's fintech sector is driving change via new contactless payment technology, which is becoming a popular alternative to cash payments. We continue to believe that the attractive characteristics of our markets and our position across multiple services and sectors will continue to drive growth and profitability in our businesses.

Our payment businesses also generally experience moderate increased activity during the traditional holiday shopping periods and around other nationally recognized holidays, which follow consumer spending patterns.

Finally, our financial condition and results of operations are, in part, dependent on the economic and general conditions of the geographies in which we operate. Rising interest rates, inflationary pressures, foreign currency fluctuations and economic uncertainty in the markets in which we operate may affect consumer confidence, which could result in a decrease in consumer spending and an impact to our financial results.

Relationship with Popular

On September 30, 2010, EVERTEC Group entered into a 15-year MSA, and several related agreements with Popular. On July 1, 2022, we modified and extended the main commercial agreements with Popular, including a 10-year extension of the Merchant Acquiring Independent Sales Organization Agreement (as amended, the "A&R ISO Agreement"), a 5-year extension of the ATH Network Participation Agreement and a 3-year extension of the MSA (the "A&R ISO Agreement"). The A&R ISO Agreement, which defines our merchant acquiring relationship with Popular, now includes revenue sharing provisions with Popular. The MSA modifications also include the elimination of the exclusivity requirement, the inclusion of annual MSA minimums through September 30, 2028, a 10% discount on certain MSA services beginning in October of 2025 and adjustments to the CPI pricing escalator clause. On the same date, we also sold to Popular certain assets in exchange for 4.6 million shares of EVERTEC common stock owned by Popular (collectively with the contract amendments, the "Popular Transaction"). On August 15, 2022, through a secondary offering, Popular sold its remaining shares of EVERTEC common stock. EVERTEC is no longer deemed a subsidiary of Popular under the Bank Holding Company Act. Popular continues to be the Company's largest customer and for the **nine** three months ended **September 30, 2023** **March 31, 2024** approximately **36%** **31%** of our revenues were generated from this relationship.

2023 Developments

On July 20, 2023, the Company entered into a Merger Agreement and Other Covenants (the "Merger Agreement"), by and among Evertec Brasil Informática S.A, a wholly-owned subsidiary of Evertec ("Evertec BR"), Sinqia S.A., a publicly held company incorporated and existing in accordance with the laws of the Federative Republic of Brazil ("Sinqia"), and certain other Key Shareholders (as defined therein), as shareholders of Sinqia. The Board and the board of directors of Sinqia (the "Sinqia Board") have unanimously approved the Merger Agreement.

Pursuant to and on the terms and subject to the conditions set forth in the Merger Agreement, a business combination of Evertec BR and Sinqia will be carried out through a merger of all shares issued by Sinqia into Evertec BR pursuant to provisions of the Brazilian Corporations Law (the "Merger of Shares"), and as a result of such Merger of Shares, Sinqia will become a wholly-owned subsidiary of Evertec BR.

At the effective time of the Merger of Shares, each common share of Sinqia (the "Sinqia Common Shares"), issued and outstanding immediately prior to the Merger of Shares will be exchanged for (a) one class A mandatorily redeemable preferred share issued by Evertec BR ("Evertec BR New Class A Shares"), and (b) one class B mandatorily redeemable preferred share issued by Evertec BR ("Evertec BR New Class B Shares" and, jointly with Evertec BR New Class A Shares, the "Evertec BR New Shares"). Immediately upon implementation of the Merger of Shares, all Evertec BR New Shares delivered to the then shareholders of Sinqia will be automatically redeemed and canceled (the "Redemption", and together with the Merger of Shares, the "Transaction"), and each then shareholder of Sinqia will be entitled to receive, for each Evertec BR New Class A Share held, (i) twenty-four Reais and forty-seven cents (R\$ 24.47), increased by a customary daily "ticking fee" of up to one Reais (R\$1.00) per share depending on the timing of the closing and subject to other customary adjustments as set forth in the Merger Agreement, and (ii) Brazilian Depositary Receipts representing 0.014354 underlying share of common stock, par value \$0.01 per share, of Evertec. The Transaction is expected to close in the fourth quarter of 2023 and is subject to the satisfaction or waiver of customary closing conditions.

Evertec also obtained financing commitments for the purpose of financing the Transaction and paying related fees and expenses with debt financing in an aggregate principal amount of \$600 million (as such amount may be increased). The obligations of the lenders to provide debt financing under the related debt commitment letter are subject to customary terms and conditions.

On September 14, 2023, the Transaction received Sinqia shareholder approval, satisfying one of the closing conditions in the Merger Agreement.

On September 12, 2023, the Company formally registered a Brazilian Depositary Receipts ("BDR") program with the Brazilian securities and exchange commission ("BDR Program"), in order to have securities backed by Evertec shares trading in the B3, the Brazilian stock exchange. The BDR Program has not been funded, no Evertec common stock underlying such BDRs has been issued, and no BDRs are actively trading on the B3. On October 24, 2023, the Company submitted to the NYSE a supplemental application review form requesting to reserve 1,168,555 shares of common stock, with a par value of \$0.01 underlying 1,168,555 BDRs which will be issued as consideration pursuant to the Merger Agreement. October 27, 2023, the reserve was approved by the NYSE.

This complementary acquisition is expected to enhance the Company's growth strategy, diversify the Company's business, expand the Company's addressable markets, increase the Company's product offering, and drive revenue synergies over time.

Factors and Trends Affecting the Results of Our Operations

The ongoing migration from cash and paper methods of payment to electronic payments continues to benefit the transaction-processing industry globally. We believe that the penetration of electronic payments in the markets in which we operate is significantly lower relative to the U.S. market, which, together with the ongoing shift from cash and paper methods of payment to electronic payments will continue to generate growth opportunities for our business. For example, currently the adoption of banking products, including electronic payments, in the Latin America and Caribbean region is lower relative to the mature U.S. and European markets. We believe that the unbanked and underbanked population in our markets will continue to shrink, and therefore drive incremental penetration and growth of electronic payments in Puerto Rico and other Latin America regions. We also benefit from the outsourcing of technology systems and processes trend for financial institutions and government. Many medium- and small-size institutions in the Latin American markets in which we operate have outdated systems and updating these IT legacy systems is financially and logically challenging, which presents a business opportunity for us.

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Finally, our financial condition and results of operations are, in part, dependent on the economic and general conditions of the geographies in which we operate. Rising interest rates, inflationary pressures, foreign currency fluctuations and economic uncertainty in the markets in which we operate may affect consumer confidence, which could result in a decrease in consumer spending and an impact to our financial results.

Results of Operations

Comparison of the three months ended **September 30, 2023** **March 31, 2024** and **2022**

		Three months ended September 30,					
		Three months ended March 31,					
		Three months ended March 31,					
In thousands		In thousands					
In thousands		2023			2022		
Revenues	Revenues	\$	173,198	\$	145,803	\$	27,395
Revenues							19 %
Revenues							
Operating costs and expenses							
Operating costs and expenses							
Operating costs and expenses	Operating costs and expenses						
Cost of revenues, exclusive of depreciation and amortization	Cost of revenues, exclusive of depreciation and amortization		81,280		76,272		5,008
Cost of revenues, exclusive of depreciation and amortization							7 %
Cost of revenues, exclusive of depreciation and amortization							
Selling, general and administrative expenses							
Selling, general and administrative expenses							
Selling, general and administrative expenses	Selling, general and administrative expenses		30,437		26,001		4,436
Depreciation and amortization	Depreciation and amortization		21,919		19,712		2,207
Depreciation and amortization							11 %
Depreciation and amortization							
Total operating costs and expenses							
Total operating costs and expenses							
Total operating costs and expenses	Total operating costs and expenses		133,636		121,985		11,651
Income from operations	Income from operations	\$	39,562	\$	23,818	\$	15,744
Income from operations							66 %
Income from operations							
Revenues							

Total revenue for the quarter ended **September 30, 2023** **March 31, 2024** was **\$173.2 million** **\$205.3 million**, an increase of **19%** **28%** as compared with **\$145.8 million** in the same period. **\$159.8 million** in the prior year period, reflecting the contribution from the Sinqia acquisition and organic growth across all of the Company's segments. Merchant acquiring revenue growth was a result of an increase in sales volume and spread, and the continued benefit from pricing initiatives, along with an improvement in overall spread. Payment processing revenues in Puerto Rico continue to reflect an increase in POS transaction volumes as well as continued growth in ATH Movil revenues, primarily ATH Business. Payment processing LATAM revenue Latin America revenues benefited from a \$6.3 million catch-up adjustment related to full quarter contribution from the Company's processing contract with Getnet Chile Sinqia acquisition as the Company now estimates that minimums on the contract will be surpassed. LATAM revenues also benefited from well as continued organic growth across regions and the contribution from the paySmart acquisition completed in the first quarter of 2023. Business solutions revenue in Puerto Rico increased mainly due to the impact in the prior year growth across several lines of the \$6.9 million one-time credit granted to Popular upon closing of the Popular Transaction in the third quarter of 2022 as well as an increase in hardware and software sales business.

Cost of Revenues

Cost of revenues, exclusive of depreciation and amortization, for the three months ended **September 30, 2023** **March 31, 2024** amounted to **\$81.3 million** **\$102.4 million**, an increase of **\$5.0 million** **\$26.0 million** or **7%** **34%** when compared to the same period in the prior year. The increase during the three month period was primarily driven by related to the addition of Sinqia, as well as an increase in cloud services, professional fees, personnel costs mainly due to increased headcount and an increase in Latin America including costs of sales in connection with the added headcount increase in revenues from the paySmart acquisition, professional fees and cloud services. These increases were partially offset by recoveries of previously recorded operational losses. Business Solutions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended **September 30, 2023** **March 31, 2024** amounted to **\$30.4 million** **\$35.6 million**, an increase of **\$4.4 million** **\$11.8 million** or **17%** **49%** when compared to the same period in the prior year. This increase was mainly driven by the addition of Sinqia along with an increase in personnel costs as well as an increase in professional fees related to corporate development initiatives costs.

Depreciation and Amortization

Depreciation and amortization expense for the three months ended **September 30, 2023** **March 31, 2024** amounted to **\$21.9 million** **\$34.4 million**, an increase of **\$2.2 million** **\$15.0 million** or **11%** **77%** when compared to the same period in the prior year. This increase was primarily driven by an increase in amortization of intangible assets created in connection with the Sinqia and paySmart acquisition, acquisitions, as well as an increase in software amortization for internally developed software.

Non-Operating Expenses

		Three months ended September 30,					
		Three months ended March 31,					
		Three months ended March 31,					
In thousands		2023		2022		Variance	
In thousands	In thousands	\$	\$	\$	\$		%
Interest income	Interest income	\$ 1,926	\$ 807	\$ 1,119	\$ 139		%
Interest income							
Interest income							
Interest expense							
Interest expense	Interest expense	(5,709)	(6,763)	1,054	16	%	
Loss on foreign currency remeasurement	Loss on foreign currency remeasurement	(2,806)	(7,779)	4,973	64	%	
Loss on foreign currency swap		(29,225)	—	(29,225)	—	%	
Earnings of equity method investment		1,197	688	509	74	%	
Gain on sale of business		—	135,642	(135,642)	(100)	%	
Loss on foreign currency remeasurement							
Loss on foreign currency remeasurement							
Earnings from equity method investments							

Earnings from equity method investments						
Earnings from equity method investments						
Other income	Other income	153	374	(221)	(59)	%
Total non-operating (expenses) income		\$ (34,464)	\$ 122,969	\$ (157,433)	\$ 128	%
Other income						
Other income						
Total non-operating expenses						
Total non-operating expenses						
Total non-operating expenses						

Non-operating expenses for the three months ended September 30, 2023 amounted March 31, 2024 increased by \$8.9 million to \$34.5 million of expense compared to income of \$123.0 million the comparable period in the prior year. The negative variance was mainly related to the gain on sale of a business of \$135.6 million included in the prior year quarter as a result of closing the Popular Transaction and the unrealized loss on foreign currency swap of \$29.2 million in the current year quarter. Partially offsetting these decreases was a foreign currency remeasurement loss of \$2.8 million in the current quarter compared to a loss of \$7.8 million in the prior year quarter and an increase in interest income of \$1.1 million and a decrease in interest expense of \$1.1 million.

Income Tax Expense

In thousands	Three months ended September 30,		Variance
	2023	2022	
Income tax (benefit) expense	\$ (4,858)	\$ 9,048	\$ (13,906) (154)%

Income tax benefit for the three months ended September 30, 2023 amounted to \$4.9 million, a decrease of \$13.9 million when compared to the income tax expense in same period in the prior year. The effective tax rate for the period was (95.3)%, compared with 6.2% in the comparable 2022 period. The change in the effective tax rate primarily reflects the impact from the unrealized loss on foreign currency swap of \$29.2 million in the current year quarter, which created a deferred tax benefit of \$10.9 million, treated as a discrete item, partially offset by the impact of higher revenues in higher taxed jurisdictions, a shift in the mix of business in Puerto Rico and higher withholding taxes. Effective tax rate was also impacted during prior year by the Popular Transaction which was taxed at a preferential tax rate and the reversal of a potential liability for uncertain tax positions as a result of the expiration of the statute of limitation.

Comparison of the nine months ended September 30, 2023 and 2022

In thousands	Nine months ended September 30,		Variance
	2023	2022	
Revenues	\$ 500,088	\$ 456,622	\$ 43,466 10 %
Operating costs and expenses			
Cost of revenues, exclusive of depreciation and amortization	238,149	215,244	22,905 11 %
Selling, general and administrative expenses	83,834	66,436	17,398 26 %
Depreciation and amortization	63,680	58,432	5,248 9 %
Total operating costs and expenses	385,663	340,112	45,551 13 %
Income from operations	\$ 114,425	\$ 116,510	\$ (2,085) (2)%

Revenues

Total revenues for the nine months ended September 30, 2023 was \$500.1 million, an increase of 10% compared with \$456.6 million in the same period in the prior year. The revenue increase was primarily driven by growth in the Company's payment segments, both Puerto Rico and Latin America. Merchant acquiring revenue reflected a higher sales volumes and spread which is mainly due to the continued benefit from pricing initiatives, shift in the card mix, and an increase in sales volumes. Payment processing growth in Puerto Rico was driven by the same factors explained above for the quarter. Payment Services Latin America revenue growth was driven by the same factors explained above for the quarter and revenue contribution from the BBR acquisition completed in the third quarter of 2022. These increases were partially offset by the impact to Business Solutions from the one-time CPI credit that impacted last year results and the assets sold as part of the Popular Transaction in the third quarter of 2022.

Cost of Revenues

Cost of revenues for nine months ended September 30, 2023 amounted to \$238.1 million, an increase of \$22.9 million or 11% \$16.1 million when compared to the same period in the prior year. The increase during the nine month period was primarily driven by the same factors explained above for the quarter along with the revenue sharing agreement with Banco Popular, an increase in personnel costs, mainly due to increased headcount in Latin America including the added headcount from the BBR acquisition and an increase in printing supplies expense.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for nine months ended September 30, 2023 amounted to \$83.8 million, an increase of \$17.4 million or 26% when compared to the same period in the prior year due to the same reasons explained for the quarter.

Depreciation and Amortization

Depreciation and amortization expense for the nine months ended September 30, 2023 amounted to \$63.7 million, an increase of \$5.2 million or 9% when compared to the same period in the prior year. This increase was primarily driven by the same factors explained above for the quarter as well as amortization expense for intangibles created as part of the BBR acquisition.

Non-Operating Expenses

In thousands	Nine months ended September 30,		Variance
	2023	2022	
Interest income	\$ 5,162	\$ 2,279	\$ 2,883 127 %
Interest expense	(16,992)	(18,242)	1,250 7 %
Loss on foreign currency remeasurement	(7,337)	(6,858)	(479) 7 %
Loss on foreign currency swap	(29,225)	—	(29,225) — %
Earnings of equity method investment	3,828	2,120	1,708 81 %
Gain on sale of business	—	135,642	(135,642) (100)%
Other income	2,754	1,621	1,133 70 %
Total non-operating (expenses) income	\$ (41,810)	\$ 116,562	\$ (158,372) 136 %

Non-operating (expenses) income for the nine months ended September 30, 2023 amounted to expenses of \$41.8 million compared with income of \$116.6 million in the same period in the prior year. The negative variance was mainly related to an increase of \$14.3 million in interest expense resulting from the gain on sale of a business of \$135.6 million recorded in incremental debt raised to finance the prior year period upon closing of the Popular Transaction and the unrealized loss on foreign currency swap of \$29.2 million in the current year, Singia acquisition, partially offset by an increase in other income of \$2.9 million \$2.8 million mainly related to unrealized gains on change in fair value of equity securities and an increase in interest income \$1.3 million decrease in interest expense, \$1.7 million increase in earnings from the Company's equity method investment in Contado and \$1.1 million increase in other income primarily related to realized gains from foreign currency transactions of \$2.2 million.

Income Tax Expense

In thousands	Nine months ended September 30,			Variance	
	Three months ended March 31,				
	Three months ended March 31,				
	Three months ended March 31,				
In thousands	In thousands	2023	2022		
Income tax expense	Income tax expense	\$ 4,546	\$ 22,911	\$ (18,365) (80) %	
Income tax expense					
Income tax expense					

Income tax expense for the nine months ended September 30, 2023 amounted to \$4.5 million \$0.3 million, a decrease of \$18.4 million \$2.5 million when compared to the income tax expense in the same period in the prior year. The effective tax rate for the period was 6.3% 1.8%, compared with 9.8% 8.6% in the comparable 2022 2023 period. The decrease in the effective tax rate is was primarily driven by the same factors explained above for higher interest expense resulting from the quarter, coupled with a benefit incremental debt raised as part of a discrete item in Puerto Rico recorded during the quarter ended March 31, 2023, Singia acquisition.

Segment Results of Operations

The Company operates in four business segments: Payment Services - Puerto Rico & Caribbean, Payment Services - Latin America (collectively "Payment Services segments"), Payments and Solutions, Merchant Acquiring, and Business Solutions.

The Payment Services - Puerto Rico & Caribbean segment revenues are comprised of revenues related to providing access to the ATH debit network and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and point of sale ("POS") POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement

and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), ATH Movil (person-to-person) and ATH Business (person-to-merchant) digital transactions and EBT (which principally consist of services to the government of Puerto Rico for the delivery of benefits to participants). For ATH debit network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from network fees, transaction switching and processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed and other processing services. For EBT services, revenues are primarily derived from the number of beneficiaries on file.

The **Payment Services - Latin America** **Payments and Solutions** segment **payment** revenues consist of revenues related to providing access to the ATH network of ATMs and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), as well as licensed software solutions for risk and fraud management and card payment processing. For network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from transaction switching, processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed, and other processing services. **Solution** revenues consist of (a) licensing, support and maintenance ("subscription"), implementation and customization of software used to provide financial products in areas such as core banking, credit, investments, payments, foreign exchange, mutual funds, pension funds and consortium, in addition to software used to execute processes such as digital onboarding, digital signature and digital collection; and (b) outsourcing of mission critical IT services. Revenues are based on monthly fixed fees and, in several cases, variable fees based on usage.

The Merchant Acquiring segment consists of revenues from services that allow merchants to accept electronic methods of payment. In the Merchant Acquiring segment, revenues include a discount fee and membership fees charged to merchants, debit network fees and rental fees from POS devices and other equipment, net of credit card interchange and assessment fees charged by credit cards associations (such as VISA or MasterCard) or payment networks. The discount fee is generally a percentage of the transaction value. EVERTEC also charges merchants for other services that are unrelated to the number of transactions or the transaction value.

The Business Solutions segment consists of revenues from a full suite of business process management solutions in various product areas such as core bank processing, network hosting and management, IT professional services, business process outsourcing, item processing, cash processing, and fulfillment. Core bank processing and network services revenues are derived in part from a recurrent fixed fee and from fees based on the number of accounts on file (i.e., savings or checking accounts, loans, etc.), server capacity usage or computer resources utilized. Revenues from other processing services within the Business Solutions segment are generally volume-based and depend on factors such as the number of accounts processed. In addition, EVERTEC is a reseller of hardware and software products and these resale transactions are generally non-recurring.

In addition to the four operating segments described above, management identified certain functional cost areas that operate independently and do not constitute businesses in themselves. These areas could neither be concluded as operating segments nor could they be combined with any other operating segments. Therefore, these areas are aggregated and presented within the "Corporate and Other" category in the financial statements alongside the operating segments. The Corporate and Other category consists of corporate overhead expenses, intersegment eliminations, certain leveraged activities and other non-operating and miscellaneous expenses that are not included in the operating segments. The overhead and leveraged costs relate to activities such as:

- marketing,
- corporate finance and accounting,

- human resources,
- legal,
- risk management functions,
- internal audit,
- corporate debt related costs,
- non-operating depreciation and amortization expenses generated as a result of merger and acquisition activity,
- intersegment revenues and expenses, and
- other non-recurring fees and expenses that are not considered when management evaluates financial performance at a segment level

The Chief Operating Decision Maker ("CODM") reviews the operating segments separate financial information to assess performance and to allocate resources. Management evaluates the operating results of each of its operating segments based upon revenues and Adjusted EBITDA. Effective for the quarter ended March 31, 2023, the Company modified the manner in which it calculates and reports Adjusted EBITDA presented to the CODM for assessing segment performance to exclude the impact of non-cash unrealized gains and losses from foreign currency remeasurement. Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain non-cash unrealized items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, equity investment income net of dividends received, and the impact from non-cash unrealized gains and losses on foreign currency remeasurement for assets and liabilities in non-functional currency. Adjusted EBITDA, as it relates to operating segments, is presented in conformity with ASC Topic 280, *Segment Reporting*, given that it is reported to the CODM for purposes of allocating resources. The Company has recast prior periods to conform with the modified definition of Adjusted EBITDA. Segment asset disclosure is not used by the CODM as a measure of segment performance since the segment evaluation is driven by revenues and Adjusted EBITDA. As such, segment assets are not disclosed in the notes to the unaudited condensed consolidated financial statements.

The following tables set forth information about the Company's operations by its four business segments for the periods indicated below.

Comparison of the three months ended **September 30, 2023** **March 31, 2024** and **2022**

Payment Services - Puerto Rico & Caribbean

		Three months ended September 30,	
		Three months ended March 31,	
		Three months ended March 31,	
<i>In thousands</i>	<i>In thousands</i>	2023	2022
Revenues	Revenues	\$51,600	\$44,592
Revenues			
Revenues			
Adjusted EBITDA			
Adjusted EBITDA			
Adjusted EBITDA	Adjusted EBITDA	30,356	25,088
Adjusted EBITDA Margin	Adjusted EBITDA Margin	58.8	%
Adjusted EBITDA Margin		56.3	%
Adjusted EBITDA Margin			

Payment Services - Puerto Rico & Caribbean segment revenues for the three months ended **September 30, 2023** **March 31, 2024** increased by **\$7.0 million** **\$4.6 million** to **\$51.6 million** **\$53.0 million** when compared to the same period in the prior year. The increase in revenues was primarily driven by an increase in POS transactions and continued strong digital payments growth from ATH Movil, primarily the ATH Business, as well as increases in transaction processing transaction-processing and monitoring services provided to the Latin America Payments and Solutions segment. Adjusted EBITDA increased by **\$5.3 million** **\$2.5 million** to **\$30.4 million**. This increase was primarily driven by the an increase in revenues and the net effect of operational losses recovered during the quarter revenue, which was partially offset by higher professional services, services and personnel costs.

Payment Services - Latin America Payments and Solutions

		Three months ended September 30,	
		Three months ended March 31,	
		Three months ended March 31,	
<i>In thousands</i>	<i>In thousands</i>	2023	2022
Revenues	Revenues	\$46,155	\$33,741
Revenues			
Revenues			
Adjusted EBITDA			
Adjusted EBITDA			
Adjusted EBITDA	Adjusted EBITDA	17,492	10,935
Adjusted EBITDA Margin	Adjusted EBITDA Margin	37.9	%
Adjusted EBITDA Margin		32.4	%
Adjusted EBITDA Margin			

Payment Services - Latin America Payments and Solutions segment revenues for the three months ended **September 30, 2023** **March 31, 2024** increased by **\$12.4 million** **\$38.9 million** to **\$46.2 million** **\$74.2 million** when compared to the same period in the prior year. Revenues benefited from a catch-up adjustment related to full quarter contribution from the processing contract with GetNet Chile of approximately \$6.3 million, as the Company now estimates minimums on the contract will be exceeded. The increase was also driven by organic growth Sinqia acquisition as well as revenue continued organic growth across the region, contribution generated from the paySmart acquisition completed in March of 2023 and higher minimums from the first quarter of 2023, processing contract with GetNet Chile. Adjusted EBITDA increased by \$6.6 million when compared to the same period in the prior year driven by the increase in revenues partially offset by higher personnel costs, driven by the added employees from the acquisition, as well as an increase in transaction processing and monitoring expenses charged from Payments Puerto Rico segment.

Merchant Acquiring

		Three months ended September 30,	
		2023	2022
Revenues		\$40,557	\$36,911
Adjusted EBITDA		15,300	13,866
Adjusted EBITDA Margin		37.7 %	37.6 %

Merchant Acquiring segment revenues for the three months ended September 30, 2023 increased by \$3.6 million to \$40.6 million when compared to the same period in the prior year. The revenue increase was primarily driven by a combination of increased sales volume, an increase in overall spread and the continued benefit of certain pricing initiatives. The prior year quarter was impacted by Hurricane Fiona, which disrupted spending patterns in the last two weeks of the quarter. Adjusted EBITDA increased by \$1.4 million as compared to the prior year period. This increase was mainly driven by higher revenues, partially offset by higher operating expenses, mainly higher processing costs driven by higher number of transactions processed by the Payment Services Puerto Rico segment.

Business Solutions

In thousands	Three months ended September 30,	
	2023	2022
Revenues	\$56,522	\$49,306
Adjusted EBITDA	21,122	16,276
Adjusted EBITDA Margin	37.4 %	33.0 %

Business Solutions segment revenues for the three months ended September 30, 2023 increased by \$7.2 million to \$56.5 million as compared to the prior year period. This increase was primarily driven by the impact in the prior year of the \$6.9 million one-time credit granted to Popular upon closing of the Popular Transaction in the third quarter of 2022, as well as an increase in hardware and software sales. Adjusted EBITDA increased by \$4.8 million to \$21.1 million as compared to the prior year period. This increase was primarily driven by the higher revenues partially offset by higher operating expenses, including higher equipment and infrastructure expenses.

Comparison of the nine months ended September 30, 2023 and 2022

Payment Services - Puerto Rico & Caribbean

In thousands	Nine months ended September 30,	
	2023	2022
Revenues	\$150,824	\$130,678
Adjusted EBITDA	87,415	72,877
Adjusted EBITDA Margin	58.0 %	55.8 %

Payment Services - Puerto Rico & Caribbean segment revenues for the nine months ended September 30, 2023 increased by \$20.1 million to \$150.8 million when compared to the same period in the prior year. The increase in revenues was primarily driven by the same drivers as in the quarter, as well as revenue contribution from issuing services provided to health care companies and revenue from the small acquisition completed in the second quarter of 2022. Adjusted EBITDA increased by \$14.5 million to \$87.4 million. The increase was primarily driven by the increase in revenues and the positive net effect of previously recorded operational losses, partially offset by higher operating expenses, including higher professional fees.

Payment Services - Latin America

In thousands	Nine months ended September 30,	
	2023	2022
Revenues	\$120,548	\$93,308
Adjusted EBITDA	41,907	30,793
Adjusted EBITDA Margin	34.8 %	33.0 %

Payment Services - Latin America segment revenues for the nine months ended September 30, 2023 increased by \$27.2 million to \$120.5 million when compared to the same period in the prior year. This increase was primarily due to the same factors explained above for the quarter, as well as revenue generated from the BBR acquisition completed in the third quarter of 2022. Adjusted EBITDA increased by \$11.1 million \$5.9 million when compared to the same period in the prior year driven by the increase in revenues partially offset by higher personnel costs, the negative impact from foreign currency remeasurement, an increase in professional services fees and an increase in transaction processing and monitoring expenses charged from Payments Puerto Rico segment, the Sinqia acquisition, which contributes at a lower margin.

Merchant Acquiring

In thousands	Nine months ended September 30,	
	Three months ended March 31,	
	Three months ended March 31,	
	Three months ended March 31,	
In thousands	2023	2022

Revenues	Revenues	\$122,152	\$111,079
Revenues			
Revenues			
Adjusted EBITDA			
Adjusted EBITDA			
Adjusted EBITDA	Adjusted EBITDA	46,569	48,484
Adjusted EBITDA Margin	Adjusted EBITDA Margin	38.1	%
Adjusted EBITDA Margin		43.6	%
Adjusted EBITDA Margin			

Merchant Acquiring segment revenues for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** increased by **\$11.1 million** **\$2.8 million** to **\$122.2 million** **\$43.1 million** when compared to the same period in the prior year. The revenue increase was primarily driven by an increase in sales volume mainly due to new higher volume merchants and **incremental sales volume in existing merchants, higher non-transactional fees, higher spread and the continued benefit from pricing initiatives as well as a shift in increase in the mix of credit cards spend towards premium cards, overall spread.** Adjusted EBITDA **decreased** **increased** by **\$1.9 million** as compared **\$0.6 million** to the prior year period, **mainly \$16.2 million** driven by **higher operating expenses, including the revenue sharing agreement with Popular which began during the third quarter of 2022, increase in revenues partially offset by higher processing costs from the Payment Services Puerto Rico segment and driven by the effect of a declining average ticket, ticket and an increase in the revenue sharing agreements.**

Business Solutions

		Nine months ended September 30,	
		Three months ended March 31,	
		Three months ended March 31,	
		Three months ended March 31,	
<i>In thousands</i>	<i>In thousands</i>	2023	2022
Revenues	Revenues	\$169,188	\$176,620
Revenues			
Revenues			
Adjusted EBITDA			
Adjusted EBITDA			
Adjusted EBITDA	Adjusted EBITDA	66,864	75,715
Adjusted EBITDA Margin	Adjusted EBITDA Margin	39.5	%
Adjusted EBITDA Margin		42.9	%
Adjusted EBITDA Margin			

Business Solutions segment revenues for the **nine** **three** months ended **September 30, 2023** **decreased** **March 31, 2024** increased by **\$7.4 million** **\$2.4 million** to **\$169.2 million** **\$58.1 million** as compared to the prior year period. This **decrease** **increase** was primarily due to the impact from the assets sold as part driven by an increase in several lines of the **Popular Transaction completed in the third quarter of 2022, which were of higher margins, partially offset by the one-time credit granted to Popular upon closing of the Popular Transaction, business.** Adjusted EBITDA **decreased** **increased** by **\$8.9 million** **\$0.7 million** to **\$66.9 million** **\$23.0 million** as compared to the prior year period. This **decrease** **increase** was primarily driven by the **impact** **higher revenues partially offset by higher cost of the assets sold to Popular as part of the Popular transaction, which were of higher margins, sale and equipment expenses.**

Liquidity and Capital Resources

As of **September 30, 2023** **March 31, 2024**, there **are** **were** no material changes to our primary short-term and long-term requirements for liquidity and capital **resources** as disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operation" of our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023** filed with the SEC on **February 24, 2023** **February 29, 2024**. Our **Our** principal source of liquidity is cash generated from operations, and our primary liquidity requirements are the funding of working capital needs, capital expenditures, acquisitions, dividend payments, share repurchases and debt service. We also have a \$200.0 million Revolving Facility, of which **\$188.0** **\$114.0** million was available for borrowing as of **September 30, 2023** **March 31, 2024**. The Company issues letters of credit against our Revolving Facility which reduce our availability of funds to be drawn. The Company has also obtained financing commitments for the purpose of financing the **Sinqua acquisition and paying related fees and expenses with debt financing in an aggregate principal amount of \$600 million (as such amount may be increased).** The

obligations of the lenders to provide debt financing under the related debt commitment letter are subject to customary terms and conditions.

As of **September 30, 2023** **March 31, 2024**, we had cash and cash equivalents of **\$177.8 million** **\$293.7 million**, of which **\$133.7 million** **\$201.2 million** resides in our subsidiaries located outside of Puerto Rico for purposes of (i) funding the respective subsidiary's current business operations and (ii) funding potential future investment outside of Puerto Rico. We intend to **indefinitely** reinvest these funds outside of Puerto Rico, and based on our liquidity forecast, we will not need to repatriate this cash to fund the Puerto Rico operations or to meet debt-service obligations. However, if in the future we determine that we no longer need to maintain cash balances within our foreign subsidiaries, we may elect to distribute such cash to the Company in Puerto Rico. Distributions from the foreign subsidiaries to Puerto Rico may be subject to tax withholding and other tax consequences. Additionally, our credit agreement imposes certain restrictions on the distribution of dividends from subsidiaries.

Our primary use of cash is for operating expenses, working capital requirements, capital expenditures, acquisitions, dividend payments, share repurchases, debt service, and other transactions as opportunities present themselves.

Based on our current level of operations, we believe our **existing** cash flows from operations and the available secured Revolving Facility will be adequate to meet our liquidity needs for **at least the next twelve months** **months** from the date of this Report. However, our ability to fund future operating expenses, dividend payments, capital expenditures, mergers and acquisitions, and our ability to make scheduled payments of interest, to pay principal on or refinance our indebtedness and to satisfy any other of our present or future debt obligations will depend on our future operating performance, which may be affected by general economic, financial and other factors beyond our control.

(In thousands)	Nine months ended September 30,			Three months ended March 31,	
	(In thousands)	2023	2022	(In thousands)	2024
Cash provided by operating activities	Cash provided by operating activities	\$163,458	\$159,009		
	Cash provided by operating activities				
	Cash provided by operating activities				
Cash used in investing activities	Cash used in investing activities	(105,433)	(106,002)		
	Cash used in investing activities				
Cash used in financing activities	Cash used in financing activities	(68,852)	(99,508)		
	Cash used in financing activities				
Effect of foreign exchange rate on cash, cash equivalents and restricted cash	Effect of foreign exchange rate on cash, cash equivalents and restricted cash	10,716	4,260		
	Effect of foreign exchange rate on cash, cash equivalents and restricted cash				
	Increase in cash, cash equivalents and restricted cash	\$ (111)	\$ (42,241)		
	Increase in cash, cash equivalents and restricted cash				
Net decrease in cash, cash equivalents and restricted cash	Net decrease in cash, cash equivalents and restricted cash				

Net cash provided by operating activities for the **nine** three months ended **September 30, 2023** **March 31, 2024** was **\$163.5 million** **\$36.0 million** compared to **\$159.0 million** **\$54.5 million** for the same period in the prior year, **an increase** **a decrease** of **\$4.4 million** **\$18.5 million**, which was primarily driven by a decrease in net income as the Company continues to effectively manage working capital, well as a decrease in collections for accounts receivable.

Net cash used in investing activities for the **nine** three months ended **September 30, 2023** **March 31, 2024** was **\$105.4 million** **\$22.0 million** compared to **\$106.0 million** **\$36.6 million** for the same period in the prior year. Net cash used in investing activities for year, the **nine** months ended **September 30, 2023** was **decrease** is primarily **composed** related to the **Acquisition** of the purchase of equity securities in connection with the Singqia transaction amounting to \$26.5 million, the paySmart acquisition, which closed Paysmart completed in

the first quarter of 2023 the prior year for \$22.9 million, capital contributions for investments in equity investee of \$5.5 million and \$23.3 million. Partially offsetting this decrease was an increase in additions to software additions and purchases of \$5.9 million property, plant and equipment of \$8.6 million.

Net cash used in financing activities for the nine three months ended September 30, 2023 March 31, 2024 was \$68.9 million \$16.4 million compared to \$99.5 million \$40.6 million for the same period in the prior year. The net decrease in cash used in financing activities for the nine months ended September 30, 2023 was primarily composed driven by a \$80.0 million draw on the Revolving Facility compared with a repayment of purchases \$20.0 million in the prior year period. Partially offsetting this decrease was an increase in share repurchases of common stock amounting to \$23.6 million partially offset by \$63.7 million, cash used to pay down the Revolving Facility for \$14.0 million paydown other financing arrangements of \$6.2 million and dividends paid to non-controlling interest shareholders of \$1.1 million.

Capital Resources

Our principal capital expenditures are for hardware and computer software (purchased and internally developed) and additions to our property and equipment. During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we invested approximately \$50.6 million \$21.9 million and \$44.6 million \$13.3 million in our capital resources, respectively. In addition, during the nine month period ended September 30, 2023, the Company acquired a business for \$22.9 million, net of cash acquired, equity securities amounting to \$26.5 million and investment in equity investee of \$5.5 million. During the nine month period ended September 30, 2022, the Company acquired a business for \$44.4 million, net of cash, as well as \$7.3 million in certificates of deposit in connection with this business acquisition in 2022. The Company also acquired customer relationships amounting to \$10.6 million. Generally, we fund capital expenditures with cash flow generated from operations and, if necessary, borrowings under our Revolving Facility and a committed financing of \$600 million in connection with the Sinqia transaction. Refer to Note 18 of the unaudited condensed consolidated financial statements for disclosure of the transaction. Facility.

Dividend Payments

On February 16, 2023, April 20, 2023, and July 20, 2023, respectively February 15, 2024 the Board declared quarterly cash dividends of \$0.05 per share of common stock, which were paid on March 17, 2023 March 15, 2024, June 2, 2023 and September 1, 2023, respectively, to stockholders of record as of the close of business on February 28, 2023, May 1, 2023 and July 31, 2023, respectively.

February 27, 2024. On October 19, 2023 April 18, 2024, our Board declared a regular quarterly cash dividend of \$0.05 per share on the Company's outstanding shares of common stock. The dividend will be expected to be paid on December 1, 2023 June 7, 2024 to stockholders of record as of the close of business on October 30, 2023 April 29, 2024. The Board anticipates declaring this dividend in future quarters on a regular basis; however future declarations of dividends are subject to the Board's approval and may be adjusted as business needs or market conditions change.

Financial Obligations

Secured Credit Facilities

On December 1, 2022, EVERTEC and EVERTEC Group, entered into a credit agreement with a syndicate of lenders and Truist Bank ("Truist"), as administrative agent and collateral agent, providing for (i) a \$415.0 million term loan A facility (the "Term Loan Facility") that matures on December 1, 2027, and (ii) a \$200.0 million revolving credit facility (the "Revolving Facility", and together with the Term A Loan Facility, the "2022 Credit Facilities") that matures on December 1, 2027 (the "2022 Credit Facilities Maturity Date"). On October 30, 2023, Evertec, EVERTEC Group and other Loan Parties (as defined in the Existing Credit Agreement) party thereto, entered into a first amendment (the "Amendment") to the credit agreement, dated as of December 1, 2022 (the "Existing Credit Agreement," and as amended by the Amendment, the "Amended Credit Agreement"), with a syndicate of lenders and Truist, as administrative agent and collateral agent. Under the Amended Credit Agreement, a syndicate of financial institutions and other lenders provided (i) additional term loan A commitments in the amount of \$60.0 million (the "Incremental TLA Facility") and (ii) a new tranche of term loan B commitments in the amount of \$600.0 million (the "New TLB Facility," and together with the Incremental TLA Facility, the "Facilities"). The 2022 Credit Facilities mature \$600.0 million term loan B facility matures on December 1, 2027 October 30, 2030 (the "Term Loan B Maturity Date"). Unless otherwise indicated, the terms and conditions detailed below apply to both term loan A facility and term loan B (together "Term Loan Facilities"). In the fourth quarter of 2023, the Company prepaid \$60 million of the outstanding balance on Term Loan B.

At September 30, 2023 March 31, 2024, the unpaid principal balance of the Term A Loan Facility was \$399.4 million and Term B Loan Facility were \$447.5 million and \$540.0 million, respectively. At September 30, 2023 March 31, 2024, there was \$6.0 million the outstanding on balance of the Revolving Facility is \$80 million and the additional borrowing capacity was \$188.0 \$114.0 million. The Company issues letters of credit against the Revolving Facility which reduce the additional borrowing capacity of the Revolving Facility.

Deferred consideration for Business Combinations

As part of the Company's merger and acquisition activities, the Company may enter into agreements by which a portion of the purchase price is financed directly by the seller. At March 31, 2024 and December 31, 2023, the unpaid principal balance of these agreements amounted to \$18.9 million and \$19.5 million, respectively. The current portion of the deferred consideration is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's unaudited condensed consolidated balance sheet.

Notes Payable

In September 2023, EVERTEC Group entered into a non-interest bearing financing agreement amounting to \$10.1 million to purchase software and maintenance. maintenance which the Company recorded on a discounted basis using an implied interest of 6.9%. As of **September 30, 2023** March 31, 2024, the outstanding principal balance of the note payable on a discounted basis was \$7.9 \$7.2 million. The current portion of these notes the note is included in accounts payable and the long-term portion is included in other long-term liabilities in on the Company's unaudited condensed consolidated balance sheet.

Interest Rate Swaps

As of **September 30, 2023** March 31, 2024, the Company has two four interest rate swap agreements, entered into in December 2018 and May 2023, which convert a portion of the interest rate payments on the Company's Term Loan Facilities from variable to fixed:fixed. The interest rate swaps are used to hedge the market risk from changes in interest rates corresponding with the Company's variable rate debt. The interest rate swaps are designated as cash flow hedges and are considered highly effective. Changes in the fair value of the interest rate swaps are recognized in other comprehensive income (loss) until the gains or losses are reclassified to earnings. Gains or losses reclassified to earnings are presented within interest expense in the accompanying condensed consolidated statements of income and comprehensive income.

Swap Agreement	Effective date	Maturity Date	Notional Amount	Variable Rate	Fixed Rate
2018 Swap	April 2020	November 2024	\$250 million	1-month SOFR	2.929%
2023 Swap	November 2024	December 2027	\$250 million	1-month SOFR	3.375%
2024 Swap	March 2024	October 2027	\$150 million	1-month SOFR	4.182%
2024 Swap	March 2024	October 2027	\$150 million	1-month SOFR	4.172%

As of **September 30, 2023** and **December 31, 2022** March 31, 2024, the carrying amount of the derivatives included on the Company's unaudited condensed consolidated balance sheets was \$11.5 million an asset of \$7.0 million and \$7.4 million a liability of \$0.9 million, included in other long-term liabilities. As of December 31, 2023, respectively, the carrying amount of the derivatives included on the Company's consolidated balance sheet was an asset of \$4.4 million and a liability of \$0.9 million, included in other long-term liabilities. The fair value of these derivatives are estimated using Level 2 inputs in the fair value hierarchy on a recurring basis. Refer to Note 7 of 8 to the unaudited condensed consolidated financial statements Unaudited Condensed Consolidated Financial Statements for disclosure of gains (losses) recorded on cash flow hedging activities.

During the three and nine months ended **September 30, 2023** March 31, 2024 and **2022, 2023**, the Company reclassified gains of \$1.6 million \$1.7 million and \$4.0 million \$1.0 million, respectively, from accumulated other comprehensive loss into interest expense compared to losses of \$0.4 million and \$3.5 million, respectively, for the corresponding periods in 2022. expense. Based on current SOFR rates, the Company expects to reclassify gains of \$6.2 million \$10.0 million from accumulated other comprehensive loss into interest expense over the next 12 months.

The cash flow hedges are considered highly effective.

Covenant Compliance

As of **September 30, 2023** March 31, 2024, our the total secured net leverage ratio was 0.90 2.50 to 1.00, as determined in accordance with the Credit Agreement. 1.00. As of the date of filing of this Form 10-Q Report, no event has occurred that constitutes an Event of Default or Default under our Credit Agreement. Default.

In this Report, we refer to the term "Adjusted EBITDA" to mean EBITDA as so defined and calculated in a substantially consistent manner for purposes of determining compliance with the total secured net leverage ratio based on the financial information for the last twelve months at the end of each quarter.

Net Income Reconciliation to EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share (Non-GAAP Measures)

We define "EBITDA" as earnings before interest, taxes, depreciation and amortization. We define "Adjusted EBITDA" as EBITDA further adjusted to exclude certain non-cash unrealized items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, equity investment income net of dividends received, and the impact from non-cash unrealized gains and losses on foreign currency remeasurement for assets and liabilities The non-GAAP measures referenced in non-functional currency. Adjusted EBITDA by segment is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with ASC Topic 280, Segment Reporting, and is excluded from the definition of non-GAAP financial measures under the Securities and Exchange Commission's Regulation G and Item 10(e) of Regulation S-K. We define "Adjusted Net Income" as Adjusted EBITDA less: operating depreciation and amortization expense, defined as GAAP depreciation and amortization less amortization of intangibles related to acquisitions such as customer relationships, trademarks; cash interest expense defined as GAAP interest expense, less GAAP interest income adjusted to exclude non-cash amortization of debt issue costs, premium and accretion of discount; income tax expense which is calculated on adjusted pre-tax income using the applicable GAAP tax rate, adjusted for uncertain tax position releases, tax true-ups, windfall from share-based compensation, non-cash unrealized gains and losses from foreign currency remeasurement, among others; and non-controlling interest which is the 35% non-controlling equity interest in Evertec Colombia, net of amortization for intangibles created as part of the purchase. We define "Adjusted Earnings per common share" as Adjusted Net Income divided by diluted shares outstanding.

We present EBITDA and Adjusted EBITDA because we consider them important Report are supplemental measures of our the Company's performance and believe are not required by, or presented in accordance with, accounting principles generally accepted in the United States of America ("GAAP"). They are not measurements of the Company's financial performance under GAAP and should not be considered as alternatives to total revenue, net income or any other performance measures derived in accordance with GAAP or as alternatives to cash flows from operating activities, as indicators of operating performance or as measures of the Company's liquidity. In addition to GAAP measures, management uses these non-GAAP measures to focus on the factors the Company believes are pertinent to the daily management of the Company's operations and believes that they are also frequently used by securities analysts, investors and other interested parties in the evaluation of ourselves and other stakeholders to evaluate companies in our industry. In addition, our presentation of Adjusted EBITDA is substantially consistent with the equivalent measurements that are contained in the senior secured credit facilities in testing EVERTEC Group's compliance with covenants therein such as the secured leverage ratio. We use Adjusted Net Income to measure our overall profitability because we believe better reflects

our comparable operating performance by excluding the impact of the non-cash amortization and depreciation that was created as a result of merger and acquisition activity. In addition, in evaluating EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share, you should be aware that in the future we may incur expenses such as those excluded in calculating them. Further, our presentation of these measures should not be construed as an inference that our future operating results will not be affected by unusual or nonrecurring items. These measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our condensed consolidated statements of operations that are necessary to run our business. Other companies, including other companies in our industry, may not use these measures or may calculate these measures differently than as presented herein, limiting their usefulness as comparative measures.

Some Reconciliations of the limitations of EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted earnings per common share non-GAAP measures to the most directly comparable GAAP measure are as follows:

- they do not reflect cash outlays for capital expenditures or future contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect cash requirements for such replacements;
- in the case of EBITDA and Adjusted EBITDA, they do not reflect interest expense, or the cash requirements necessary to service interest, or principal payments, on indebtedness;
- in the case of EBITDA and Adjusted EBITDA, they do not reflect income tax expense or the cash necessary to pay income taxes; and
- other companies, including other companies in our industry, may not use included below. These non-GAAP measures include EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share, or may calculate each as defined below.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain non-cash items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, equity investment income net of dividends received, and the impact from unrealized gains and losses on foreign currency remeasurement for assets and liabilities in non-functional currency. This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to the Company's segments, is presented in conformity with Accounting Standards Codification 280, *Segment Reporting*, and is excluded from the definition of non-GAAP financial measures under the Securities and Exchange Commission's Regulation G and Item 10(e) of Regulation S-K. The Company's presentation of Adjusted EBITDA is substantially consistent with the equivalent measurements that are contained in the secured credit facilities in testing EVERTEC Group's compliance with covenants therein such as the secured leverage ratio. Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of total revenues.

Adjusted Net Income is defined as Adjusted EBITDA less: operating depreciation and amortization expense, defined as GAAP Depreciation and amortization less amortization of intangibles related to acquisitions such as customer relationships, trademarks; cash interest expense defined as GAAP interest expense, less GAAP interest income adjusted to exclude non-cash amortization of debt issue costs, premium and accretion of discount; income tax expense which is calculated on adjusted pre-tax income using the applicable GAAP tax rate, adjusted for uncertain tax positions, tax true-ups, windfall from share-based compensation, unrealized gains and losses from foreign currency remeasurement, among others; and non-controlling interests, net of amortization for intangibles created as part of the purchase.

Adjusted Earnings per common share is defined as Adjusted Net Income divided by diluted shares outstanding.

The Company uses Adjusted Net Income to measure the Company's overall profitability because the Company believes it better reflects the comparable operating performance by excluding the impact of the non-cash amortization and depreciation that was created as a result of merger and acquisition activity. In addition, in evaluating EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share, differently than you should be aware that in the future the Company may incur expenses such as presented those excluded in this Report, limiting their usefulness as a comparative measure.

EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share are not measurements of liquidity or financial performance under GAAP. You should not consider EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share as alternatives to cash flows from operating activities or any other performance measures determined in accordance with GAAP, as an indicator of cash flows, as a measure of liquidity or as an alternative to operating or net income determined in accordance with GAAP.

A reconciliation of net income to EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share is provided below:

(In thousands, except per share information)	Three months ended September 30,		Nine months ended September 30,		Twelve months ended	
	2023	2022	2023	2022	September 30, 2023	September 30, 2022
Net income	\$ 9,956	\$ 137,739	\$ 68,069	\$ 210,161	\$ 96,777	\$ 10,618
Income tax (benefit) expense	(4,858)	9,048	4,546	22,911	17,518	15,963
Interest expense, net	3,783	5,956	11,830	63,680	58,432	83,866
Depreciation and amortization	21,919	19,712	21,919	21,919	21,919	21,919

EBITDA	30,800	172,455	148,125	307,467	208,779
Equity income (1)	1,834	1,159	(797)	(273)	(1,645)
Compensation and benefits (2)	6,970	5,671	21,516	15,355	26,496
Transaction, refinancing and other fees (3)	36,249	(126,897)	44,092	(122,447)	47,665
Loss on foreign currency remeasurement (4)	2,806	7,779	7,337	6,858	8,124
Adjusted EBITDA	78,659	60,167	220,273	206,960	289,419
Operating depreciation and amortization (5)	(13,061)	(10,748)	(38,265)	(33,156)	(49,527)
Cash interest expense, net (6)	(3,755)	(5,645)	(11,575)	(15,132)	(17,451)
Income tax expense (7)	(9,447)	(8,184)	(25,855)	(27,067)	(34,416)
Non-controlling interest (8)	50	47	96	58	72
Adjusted net income	\$ 52,446	\$ 35,637	\$ 144,674	\$ 131,663	\$ 188,097
Net income per common share (GAAP):					
Diluted	\$ 0.15	\$ 2.06	\$ 1.04	\$ 2.98	
Adjusted Earnings per common share (Non-GAAP):					
Diluted	\$ 0.80	\$ 0.53	\$ 2.20	\$ 1.87	
Shares used in computing adjusted earnings per common share:					
Diluted	65,779,259	67,045,809	65,705,596	70,588,915	

<i>(in thousands, except per share information)</i>	Three months ended March 31,			Twelve months ended		
	2024		2023		March 31, 2024	
	\$	\$	\$	\$	\$	\$
Net income	\$ 16,387	\$ 30,063	\$ 66,200			
Income tax expense	292	2,818	2,951			
Interest expense, net	16,579	4,510	35,878			
Depreciation and amortization	34,441	19,432	108,630			
EBITDA	67,699	56,823	213,659			
Equity income (1)	(1,071)	(1,155)	(1,861)			
Compensation and benefits (2)	7,990	5,845	31,457			
Transaction, refinancing and other (3)	(897)	758	51,890			
Loss on foreign currency remeasurement (4)	4,456	4,864	7,868			
Adjusted EBITDA	78,177	67,135	303,013			
Operating depreciation and amortization (5)	(14,795)	(12,369)	(55,339)			
Cash interest expense, net (6)	(15,419)	(4,363)	(35,342)			
Income tax benefit (expense) (7)	462	(4,782)	(23,794)			
Non-controlling interest (8)	(421)	(34)	(644)			
Adjusted net income	\$ 48,004	\$ 45,587	\$ 187,894			
Net income per common share (GAAP):						
Diluted	\$ 0.24	\$ 0.46				
Adjusted Earnings per common share (Non-GAAP):						
Diluted	\$ 0.72	\$ 0.69				
Shares used in computing adjusted earnings per common share:						
Diluted	66,336,679	65,608,618				

- 1) Represents the elimination of non-cash equity earnings from our **19.99% equity investment in Dominican Republic, Consorcio de Tarjetas Dominicanas S.A. ("CONTADO"), net of cash dividends received, investments**.
- 2) Primarily represents share-based compensation and severance payments.
- 3) Represents fees and expenses associated with corporate transactions as defined in the Credit Agreement, recorded as part of selling, general and administrative expenses and the **gain elimination of unrealized gains** from the **Popular Transaction and the foreign currency swap loss, change in fair market value of equity securities**.
- 4) Represents non-cash unrealized gains (losses) on foreign currency remeasurement for assets and liabilities denominated in non-functional currencies.

- 5) Represents operating depreciation and amortization expense, which excludes amounts generated as a result of merger and acquisition activity.
- 6) Represents interest expense, less interest income, as they appear on the condensed consolidated statements of income and comprehensive (loss) income, adjusted to exclude non-cash amortization of the debt issue costs, premium and accretion of discount.
- 7) Represents income tax expense calculated on adjusted pre-tax income using the applicable GAAP tax rate, adjusted for certain discrete items.
- 8) Represents the 35% non-controlling equity interest, in Evertec Colombia, net of amortization for intangibles created as part of the purchase.

Effect of Inflation

While it is difficult to accurately measure the impact of inflation on our results of operations and financial condition, we believe the effects of inflation on our historical results of operations and financial condition have been immaterial. General inflation in the geographies in which we operate has risen to levels that have not been experienced in recent years, however, inflation has historically had a minimal net effect on our operating results given that overall inflation has been offset by sales and cost reduction actions.

Rising prices for input costs, including wages and benefits, occupancy and general administrative costs, could potentially have a negative impact on our results of operations and financial condition which may not be readily recoverable from our customers.

In addition, inflation has driven a rising interest rate environment, which has had an adverse effect on our cost of funding, as well as led to enhanced volatility on foreign currency exchange rates. While we proactively try to mitigate these rising costs, we may not be able to fully offset these impacts and these could result in negative effect on our results of operation. Thus, we cannot assure you that our results of operations and financial condition will not be materially impacted by inflation in the future.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP. In connection with the preparation of our financial statements, we are required to make estimates and assumptions about future events and apply judgments that affect the reported amounts of certain assets and liabilities, and in some instances, the reported amounts of revenues and expenses during the period. We base our assumptions, estimates, and judgments on historical experience, current events, and other factors that management believes to be relevant at the time our condensed consolidated financial statements are prepared. However, because future events are inherently uncertain and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. For a description of the Company's critical accounting estimates, refer to "Part II-Item II—Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Estimates" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023 filed with the SEC on February 24, 2023 February 29, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks arising from our normal business activities. These market risks principally involve the possibility of changes in interest rates that will adversely affect the value of our financial assets and liabilities or future cash flows and earnings, foreign currency exchange risk that may result in unfavorable foreign currency translation adjustments and inflation. Market risk is the potential loss arising from adverse changes in market rates and prices. The following analysis provides quantitative and qualitative information regarding these risks.

Interest Rate Risks

Interest rate risk is highly sensitive due to many factors, including U.S. monetary and tax policies, U.S. and international economic factors and other factors beyond our control.

We issued floating-rate debt which is subject to fluctuations in interest rates. Our secured credit facilities accrue interest at variable rates and are subject to a floor or a minimum rate. Based upon a sensitivity analysis of our outstanding debt on March 31, 2024, a hypothetical 100 basis point increase in interest rates over our floor on our debt balances outstanding as of September 30, 2023 March 31, 2024, under the secured credit facilities, would increase our annual interest expense by approximately \$1.6 million. \$5.2 million. The impact on future interest expense as a result of future changes in interest rates will depend largely on the gross amount of our borrowings at that time.

As of September 30, 2023 March 31, 2024, the Company has two four interest rate swap agreement, entered into December 2018 and December 2022, respectively, agreements which convert a portion of our outstanding the interest rate payments on the Company's Term Loan Facilities from variable rate debt to fixed.

The interest rate swap exposes us to credit risk in the event that the counterparty to the swap agreement does not or cannot meet its obligations. The notional amount is used to measure interest to be paid or received and does not represent the amount of exposure to credit loss. The loss would be limited to the amount that would have been received, if any, over the remaining life of the swap. The counterparty counterparties to the swap is swaps are major US U.S. based financial institution and we expect the counterparty all counterparties to be able to perform its obligations under the swap. swaps. We use derivative financial instruments for hedging purposes only and not for trading or speculative purposes.

See Note 75 of the Unaudited Condensed Consolidated Financial Statements for additional information related to the secured credit facilities.

Foreign Exchange Risk

We conduct business in certain countries in Latin America for which we have determined that the functional currency is other than the **U.S. dollar**. Given this, our operating results are exposed to volatility due to fluctuations in exchange rates for the countries' functional currencies. Non-functional currency transactions are remeasured into the functional currency which results in a foreign exchange gain or loss recorded through Other income (expenses). For the **three quarters ended March 31, 2024** and **nine months ended September 30, 2023**, the Company recognized non-cash unrealized foreign currency remeasurement losses of **\$2.8 million** **\$4.5 million** and **\$7.3 million**, respectively, compared to **\$4.9 million** of losses, of **\$7.8 million** and **\$6.9 million**, respectively for the same periods in 2022, respectively. For subsidiaries whose functional currency is other than the U.S. dollar, their assets and liabilities are translated into U.S. dollars at exchange rates at the balance sheet date, and revenues and expenses are translated using average exchange rates in effect during the period. The resulting foreign currency translation adjustments are reported in accumulated other comprehensive income (loss) in the condensed consolidated balance sheets. As of **September 30, 2023** **March 31, 2024**, the Company had **\$14.1 million** **\$11.6 million** in an unfavorable foreign currency translation adjustment as part of accumulated other comprehensive (loss) income (loss) compared with an unfavorable **favorable** foreign currency translation adjustment of **\$23.5 million** **\$14.8 million** as of **December 31, 2022** **December 31, 2023**.

During Inflation Risk

While it is difficult to accurately measure the **quarter ended September 30, 2023**, impact of inflation on our results of operations and financial condition, we believe the **Company entered into** effects of inflation, if any, on our historical results of operations and financial condition have been immaterial. General inflation in the geographies in which we operate has risen to levels that have not been experienced in recent years, however, inflation has historically had a minimal net effect on our operating results given that overall inflation has been offset by sales and cost reduction actions. Rising prices for input costs, including wages and benefits, occupancy and general administrative costs, could potentially have a negative impact on our results of operations and financial condition which may not be readily recoverable from our customers. In addition, inflation has driven a rising interest rate environment, which has had an adverse effect on our cost of funding, as well as led to enhanced volatility on foreign currency **swap** exchange rates. While we proactively try to fix the acquisition price for Singqia, S.A. mitigate these rising costs, we may not be able to fully offset these impacts, which could result in **US dollars**. At **September 30, 2023**, the foreign currency **swap** was in a loss position of **\$29.2 million**, negative effect on our

See Note 8

results of operation. Thus, we cannot assure you that our results of operations and financial condition will not be materially impacted by inflation in the **unaudited condensed consolidated financial statements** for additional information related to the foreign currency **swap**, future.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated as the effectiveness of the end of the period covered by this Report on Form 10-Q, our disclosure controls and procedures (as such term is defined in Rules Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this Report. Based upon their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that as of **September 30, 2023** **March 31, 2024**, the Company's disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in We completed the Company's Singqia acquisition on November 1, 2023 (see Note 2 of the Notes to the Unaudited Condensed Consolidated Financial Statements). We excluded Singqia's disclosure controls and procedures that are subsumed by its internal control over financial reporting (as such term from the scope of management's assessment of the effectiveness of the Company's disclosure controls and procedures. This exclusion is defined in Rule 13a-15(f) accordance with the SEC Staff's general guidance that an assessment of a recently acquired business may be omitted from the scope of management's assessment for one year following the acquisition. We are in and 15d-15(f) under will continue with the Exchange Act process of integrating Singqia into our overall internal control environment. We believe that we have taken the necessary steps to monitor and maintain appropriate internal control over financial reporting during this ongoing integration. Except as described above, there have been no changes in our internal control over financial reporting that occurred during the most recent fiscal quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are defendants in various lawsuits or arbitration proceedings arising in the ordinary course of business. Management believes, based on the opinion of legal counsel and other factors, that the aggregated liabilities, if any, arising from such actions will not have a material adverse effect on the financial condition, results of operations and the cash flows of the Company.

Item 1A. Risk Factors

Other than the risk factors set forth below, there There have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 filed with the SEC on February 24, 2023 February 29, 2024. For a discussion of the potential risks and uncertainties related to us, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

The risks described below and those described in our Annual Report on Form 10-K for the year ended December 31, 2022 are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations.

Acquisitions, strategic investments, partnerships, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute shareholder value, and adversely affect our business, financial condition and results of operations.

We may in the future seek to acquire or invest in businesses, joint ventures, products and platform capabilities, or technologies that we believe could complement or expand our products and platform capabilities, enhance our technical capabilities, or otherwise offer growth opportunities. For example, in July 2023, we entered into the Merger Agreement, pursuant to which, among other things, upon closing Singqia will become a wholly-owned subsidiary of Evertec BR. Any such acquisition or investment may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products and platform capabilities, personnel, or operations of the acquired companies, particularly if we are unable to retain the key personnel of the acquired company, their software is not easily adapted to work with our existing platforms, or we have difficulty retaining customer, vendors and other relationships of any acquired business due to changes in ownership, management, or otherwise. These transactions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing businesses. Any such transactions that we are able to complete may not result in any synergies or other benefits we had expected to achieve, which could result in substantial impairment charges.

In addition, we may not be able to find and identify desirable acquisition targets or business opportunities or be successful in entering into agreements with any particular strategic partner. We expect that certain of our competitors, many of which have greater resources than we do, will compete with us in acquiring complementary businesses or products. This competition could increase prices for potential acquisitions that we believe are attractive. Also, acquisitions are often subject to various regulatory approvals. If we fail to receive the appropriate regulatory approvals, we may not be able to consummate an acquisition that we believe is in our best interests and may incur significant costs. These transactions could also result in transaction fees, dilutive issuances of our equity securities, incurrence of debt or contingent liabilities, and fluctuations in quarterly results and expenses. Further, if the resulting business from such a transaction fails to meet our expectations, our business, financial condition and results of operations may be adversely affected, or we may be exposed to unknown risks or liabilities.

We may acquire businesses located primarily or entirely outside the United States which could increase our current exposure to international operations located in the Caribbean and Latin America including currency exchange fluctuations, regulatory and organizational complexity, and varying economic, climatic and geopolitical circumstances.

The failure to complete the Transaction or ultimately realize the benefits may adversely affect our business and our stock price.

Consummation of the Transaction is subject to the satisfaction or waiver of customary closing conditions, including, (i) the absence of any court order or regulatory injunction with the effect of preventing or otherwise preventing the consummation of the Transaction, (ii) the accuracy of the representations and warranties of each party, (iii) compliance by each party in all material respects with its obligations and commitments under the Merger Agreement and the Voting Agreement (as defined in the Merger Agreement), (iv) obtaining the registration of the BDR Level I program sponsored by Evertec with the Comissão de Valores Mobiliários - CVM, the Brazilian Securities Commission and the admission of the BDRs for trade on B3

S.A. - Brasil, Bolsa, Balcão ("B3"), (v) Evertec notifying Singqia that it has completed its funding efforts for the closing, (vi) Singqia obtaining the consent or waiver for the non-acceleration of the maturity date or prepayment of the two certain issuances of debentures of Singqia as a result of the Transaction, (vii) the acceleration and cancellation of Singqia's stock option plans, (viii) the approval of the Protocolo e Justificação de Incorporação de Ações de Emissão da Singqia S.A. pela Evertec Brasil Informática S.A., as required pursuant to Articles 224 and 225 of the Brazilian Corporation Law (the "Protocol") by the Singqia Board and the execution of the Protocol by Evertec BR's management and Singqia's management, and subsequent calling of the Singqia general shareholder's meeting ("Singqia's GSM"), (ix) the necessary corporate approvals by Evertec and Evertec BR, including Evertec approving the Transaction and Evertec BR's general shareholders' meeting approving the Protocol, the ratification of the engagement of the appraisal company that shall prepare the appraisal report of Singqia at economic value, to be prepared for purposes of the Merger of Shares (as defined in the Merger Agreement) (the "Appraisal Report"), the Appraisal Report, the Merger of Shares, the capital increase of Evertec BR due to the Merger of Shares and consequent issuance of the Evertec BR New Shares and amendment to the bylaws of Evertec BR, the Redemption (as defined in the Merger Agreement), and authorization for the management of Evertec BR to adopt all measures necessary to perform the resolutions taken, (x) the necessary corporate approvals by Singqia, including Singqia's GSM approving the Protocol, the Merger of Shares, the authorization for Singqia's management to subscribe to Evertec BR New Shares on the Closing Date, the waiver of Evertec BR's obligation to be listed in the Novo Mercado special segment of B3 due to the Transaction, as required by Article 46, Sole Paragraph, of the Novo Mercado Ruling, and the authorization for Singqia's management to adopt all measures necessary to perform the resolutions taken and (xi) the absence of any Material Adverse Change (as defined in the Merger Agreement). There can be no assurance that these or other closing conditions will be satisfied in a timely manner or at all. Any delay in completing the Transaction could cause us not to realize some or all of the anticipated benefits when expected, if at all. If the Transaction is not completed, our stock price could decline to the extent it reflects an assumption that we will complete the acquisition. Furthermore, if the Transaction is not completed, we may suffer other consequences that could adversely affect our business, results of operations and stock price, including incurring significant acquisition costs that we would be unable to recover, negative publicity and a negative impression of us in the investment community.

Although we expect benefits to result from the Transaction, including future accretive impact to our earnings per common share and potential for revenue synergies, there can be no assurance that we will actually realize any of them, or realize them within the anticipated timeframe. Achieving these benefits will depend, in part, on our ability to integrate Singqia's business successfully and efficiently. The challenges involved in this integration will likely be complex and time consuming. If we do not successfully manage these issues and the other challenges inherent in integrating an acquired business, then we may not achieve the anticipated benefits, of the Transaction within our anticipated timeframe or at all and our revenue, expenses, operating results, financial condition and stock price could be materially adversely affected. The successful integration of the Singqia business will require significant management attention both before and after the completion of the Transaction, and may divert the attention of management from our business and operational issues.

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

The following table summarizes repurchases of the Company's common stock in the three month period ended **September 30, 2023** **March 31, 2024**:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of a publicly announced program (1)	Approximate dollar value of shares that may yet be purchased under the program
7/1/2023-7/31/2023	208,498	37.44	208,498	
8/1/2023-8/31/2023	66	38.99	66	
	208,564	37.44	208,564	149,997,425

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of a publicly announced program (1)	Approximate dollar value of shares that may yet be purchased under the program
3/1/2024-3/31/2024	1,516,793	*	1,516,793	
	1,516,793		1,516,793	\$ 150,000,000

(1) On **July 20, 2023**, **March 4, 2024** the Company announced that its Board approved an increase to the current stock. Evertec's existing share repurchase program, authorizing the purchase authorization to permit future repurchases of up to an aggregate of **\$150 million** **\$220 million** worth of shares of the Company's common stock, and an extension to the expiration of the program to December 31, 2024 par value \$0.01 per share by December 31, 2025. Under the repurchase program, the Company may repurchase shares in the open market, through accelerated share repurchase programs, Rule 10b5-1 plans, or in privately negotiated transactions, subject to business opportunities and other factors. The total number of shares includes 1.5 million shares received from the initiation of our ASR agreement that we entered into on **March 2024**.

*Average price paid per share information does not include this accelerated share repurchase transaction.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

- a. None.
- b. None.
- c. On August 30, 2023, During the Company's President and Chief Executive Officer, Morgan M. Schuessler, adopted a "Rule 10b5-1 trading arrangement" (as defined in Item 408(a) of Regulation S-K) that provides for the sale of up to 84,467 shares of the Company's common stock and which has a plan end date of October 4, 2024. No other three months ended March 31, 2024 no director or "officer" (as defined in Rule 16a-1(f) of the Exchange Act) of the Company have adopted, terminated or terminated modified a "Rule 10b5-1 10b5-41 trading arrangement" or "non-Rule non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K, during except as follows: On March 5, 2024, the three month period ended September 30, 2023 Company's President and Chief Executive Officer, Morgan M. Schuessler, terminated a "Rule 10b5-1 trading arrangement," (as defined in Item 408(a) of Regulation S-K) which was adopted on August 30, 2023, provided for the sale of up to 84,467 shares of the Company's common stock, and had a planned end date of October 4, 2024.

Item 6. Exhibits

2.1#	Merger Agreement and Other Covenants, dated July 20, 2023 (incorporated by reference to Exhibit 2.1 of EVERTEC, Inc.'s Current Report on Form 8-K filed on July 21, 2023, File No. 001-35872).
10.1.3.1	Voting Agreement Third Amended and Other Covenants, Restated Certificate of Incorporation of EVERTEC, Inc., dated July 20, 2023 as of May 25, 2023 (incorporated by reference to Exhibit 10.1.3.1 of EVERTEC, Inc.'s Current Report on Form 8-K filed on July 21, 2023 June 1, 2023, File No. 001-35872).
3.2	Amended and Restated Bylaws of EVERTEC, Inc., dated as of May 25, 2023 (incorporated by reference to Exhibit 3.2 of EVERTEC, Inc.'s Current Report on Form 8-K filed on June 1, 2023, File No. 001-35872).
10.1*+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units for Executive Officers under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 29, 2024.
10.2*+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units for Karla M. Cruz-Jusino under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 29, 2024.
10.3*+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units for Karla M. Cruz-Jusino under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 24, 2023.
10.4*+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units for Karla M. Cruz-Jusino under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 25, 2022.
31.1*	CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	CEO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	CFO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS XBRL**	Inline 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 XBRL**	Inline Taxonomy Extension Schema
101.CAL XBRL**	Inline Taxonomy Extension Calculation Linkbase
101.DEF XBRL**	Inline Taxonomy Extension Definition Linkbase
101.LAB XBRL**	Inline Taxonomy Extension Label Linkbase
101.PRE XBRL**	Inline Taxonomy Extension Presentation Linkbase
104**	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished to the Securities and Exchange Commission upon request.

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.

EVERTEC, Inc.
(Registrant)

Date: [October 27, 2023](#) May 2, 2024

By: [/s/ Morgan Schuessler](#)

Morgan Schuessler
Chief Executive Officer (Principal Executive Officer)

Date: [October 27, 2023](#) May 2, 2024

By: [/s/ Joaquin A. Castrillo-Salgado](#)

Joaquin A. Castrillo-Salgado
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

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EVERTEC, INC.
2022 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT - EXECUTIVES

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (together with the Vesting Schedule (defined below), this “**Agreement**”) is made as of this 29th day of February, 2024 (the “**Date of Grant**”), by and between EVERTEC, Inc. (the “**Company**”) and you (the “**Participant**”). Defined terms used but not otherwise defined herein will have the meanings attributed to them in the Plan (defined below).

WITNESSETH

WHEREAS, the Company maintains the EVERTEC, Inc. 2022 Equity Incentive Plan (the “**Plan**”); and

WHEREAS, the Participant may be a senior executive of the Company who is subject to the Evertec Group, LLC Executive Severance Policy in effect as of the date of this Agreement (if applicable, the “**Policy**”), which Policy has been approved and authorized by the Compensation Committee or the Board of Directors of the Company; and

WHEREAS, the Participant may be a senior executive of the Company who has a valid employment agreement as of the date hereof that has been approved and authorized by the Compensation Committee or the Board of Directors of the Company (if applicable, the “**Executive Employment Agreement**”); and

WHEREAS, in connection with the Participant’s service as an employee of the Company or any of its Affiliates and Subsidiaries (the “**Employment**”), the Company desires to grant Restricted Stock Units (“**RSUs**”) to the Participant (the “**Award**”), subject to the terms and conditions of the Plan and this Agreement; and

WHEREAS, such RSUs could be time-based RSUs (“**Time-Based RSUs**”), which vest on a future specified date or dates, as specified in Exhibit A; and

WHEREAS, such RSUs could also be performance-based RSUs (“**Performance-Based RSUs**”), which vest on a future specified date or dates and are subject to certain performance metrics, as specified in Exhibit A.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the parties agree as follows:

1. **Grant of RSUs.** In consideration of the Employment, the Company will grant to the Participant the number of RSUs set forth in the vesting schedule attached hereto as Exhibit A (the “**Vesting Schedule**”). Each RSU represents the unfunded and unsecured promise of the Company to deliver to the Participant one share of common stock, par value \$.01 per share, of the Company (the “**Common Stock**”) on the Settlement Date (as defined in Section 6 hereof).
2. **Purchase Price.** The purchase price of the RSUs shall be deemed to be zero U.S. Dollars (\$0) per share.
3. **Vesting.** The RSUs shall vest and become non-forfeitable on the dates established in the Vesting Schedule (each such date, a “**Vesting Date**”), provided that the Participant is actively carrying out his or her duties in connection with the Employment at all times from the Date of Grant through each respective Vesting Date.
4. **Termination.** For purposes of this Section 4, “**Termination Date**” is the date the Participant’s Employment is terminated or terminates. This Section 4 shall govern the treatment of the RSUs granted

under this Agreement upon the Participant’s termination of Employment; provided, however, that if the Participant’s Executive Employment Agreement addresses the treatment of RSUs upon termination, then the provisions of such Executive Employment Agreement shall govern instead of this Section 4. Defined terms used but not otherwise defined in this Section 4 or in the Plan will have the meanings attributed to them in the Policy.

- (a) In the event that the Employment is terminated in a Qualifying Termination (as defined in the Policy) other than within 24 months following a Change in Control (as defined in the Policy), then:
 - (i) Unvested RSUs that are Time-Based shall vest on a pro-rata basis as of the Termination Date and the Termination Date shall be deemed to be the Vesting Date under this Agreement; and
 - (ii) Unvested RSUs that are Performance-Based, shall vest and be settled following the end of the performance period based on actual performance determined at the end of the performance period on a pro-rata basis.
 - (iii) For purposes of clauses 4(a)(i) and (ii), the pro-rata portion of the award that will become vested shall be determined by multiplying the total number of RSUs subject to the award, by a fraction, the numerator of which is the number of completed months in which the Participant was employed from the Date of Grant to the Termination Date, and the denominator of which is the number of months required for the award to vest in full under the Vesting Schedule, and then reducing therefrom the number of RSUs that have previously been vested, if any.
- (b) In the event that the Employment is terminated in a Qualifying Termination within 24 months following a Change in Control, then, subject to the Participant's compliance with Section 11:
 - (i) Unvested RSUs that are Time-based shall become fully vested and the Termination Date shall be deemed to be the Vesting Date under this Agreement; and
 - (ii) Unvested RSUs that are Performance-based, shall become fully vested upon the Qualifying Termination (x) based on actual level of performance achieved as of the Change in Control (to the extent the performance period with respect to the relevant goal was completed as of the Change in Control date) and (y) at the target level of performance (to the extent the performance period with respect to the relevant goal was not complete as of the Change in Control date) and the Termination Date shall be deemed to be the Vesting Date under this Agreement. For the avoidance of doubt, it is understood that there may be circumstances where a component of an unearned performance award is valued based on actual performance and a separate component is valued based on target performance. The Company, in its sole discretion, shall determine the number of RSUs that vest pursuant to this provision, if any.
- (c) For the avoidance of doubt, in no event shall the Participant become entitled to accelerated vesting of the Participant's RSUs under both Sections 4(a) and 4(b).
- (d) In the event of the Employment's termination due to Participant's death or Disability (defined below), then as of the Termination Date all of the unvested Time-Based RSUs shall become fully vested and all unvested Performance-Based RSUs shall become fully vested (x) based on actual level of performance achieved as of the Termination Date (to the extent the performance period with respect to the relevant goal was completed as of the Termination Date) and (y) at the target

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level of performance (to the extent the performance period with respect to the relevant goal was not complete as of the Termination Date). For the avoidance of doubt, it is understood that there may be circumstances where a component of an unearned performance award(s) is valued based on actual performance and a separate component is valued based on target performance.

"Disability" has the following meaning: the Participant's inability to perform the Employment by reason of any medically determinable physical or mental impairment for a period of 6 months or more in any 12 month period.

- (e) In the event the Employment is terminated or terminates other than in a Qualifying Termination, all of the RSUs (both Time-Based and Performance-Based) that have not become vested as of the Termination Date shall automatically be forfeited as of the Termination Date.
- (f) Release Requirement. As a condition to the acceleration of vesting (or the continued vesting post-termination of Performance-based RSUs based on the achievement of Company business performance) pursuant to Section 4(a), (b) or (d) of this Agreement, the Participant, if legally capable at such time, or his estate, beneficiaries or legal representatives, if Participant is deceased or legally incapable at such time, shall be obligated to execute a separation agreement and general release of all claims in favor of the Company, their current and former affiliates, subsidiaries and stockholders, and their current and former directors, officers, employees, insurers and agents, in a form reasonably determined by the Company; provided, however, that, if such release is not executed within the time required by the Company, or is revoked within 7 days of execution, the Company shall not have any obligation to provide the benefits under Section 4(a), (b) or (d) under this Agreement.

5. **Dividend Equivalents.** If the Company pays an ordinary cash dividend on its outstanding Common Stock at any time between the Date of Grant and the Settlement Date (as defined in Section 6 below) -- provided that the date on which stockholders of record are determined for purposes of paying a cash dividend on issued and outstanding shares of the Common Stock falls after the Date of Grant -- the Participant shall receive on the Settlement Date or at the next payroll payment (but in no event more than 75 days after the Vesting Date) either: (a) a number of Shares (as defined in Section 6 below) having a Fair Market Value (as defined below) on the Vesting Date equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date; or (b) a lump sum cash payment equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date ((a) or (b) as applicable, the "**Dividend Payment**"); provided, however, that in the case of (a), any partial Share resulting from the calculation will be paid in cash.

For purposes of this Agreement, "**Fair Market Value**" means the closing price of the Company's Common Stock at the close of business of the applicable date.

6. **Settlement.** Within 75 days following the day any RSUs are vested in accordance with the terms and conditions of this Agreement (the "**Settlement Date**"), the Company shall (a) issue and deliver to the Participant one share of Common Stock for each vested RSU (the "**Shares**") and enter the Participant's name as a shareholder of record or beneficial owner with respect to the Shares on the books of the Company; and (b) calculate the Dividend Payment. The Participant agrees that the Company may deduct from the Dividend Payment any amounts owed by the Participant to the Company with respect to any whole Share issued by the Company to the Participant to cover any partial Share resulting from the settlement process.

7. **Restrictive Covenants.** The Participant hereby acknowledges that he or she is subject to all of the requirements and conditions in his or her Executive Employment Agreement or in the Restatement of

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Confidentiality and Non-Compete Agreements, as applicable, (the "**Covenant Agreements**") previously executed by him or her and that he or she will continue to comply with such Covenant Agreements. Furthermore, the Participant acknowledges that the RSUs granted hereunder serve as sufficient consideration for the reaffirmation of the Covenant Agreements contained herein.

8. **Taxes.** Unless otherwise required by applicable law, on the Settlement Date, (a) the Shares and the Dividend Payment will be considered ordinary income for tax purposes and subject to all applicable payroll taxes; (b) the Company shall report such income to the appropriate taxing authorities as it determines to be necessary and appropriate; (c) the Participant shall be responsible for payment of any taxes due in respect of the Shares and the Dividend Payment; and (d) the Company shall withhold taxes in respect of the Shares and the Dividend Payment (a "**Tax Payment**"). In order to satisfy the Participant's obligation to pay the Tax Payment, the Company will withhold from any Shares otherwise to be delivered to the Participant, a number of whole shares of Common Stock having a Fair Market Value equal to the Tax Payment (i.e., a "**cashless exercise**"); provided, however, that the Participant may elect to satisfy his or her obligation to pay the Tax Payment through a non-cashless exercise, by notifying the Company within at least 5 business days before the Settlement Date. If the Participant does not provide such notification within the established timeframe, the Company will proceed with the default method of the cashless exercise. If the Participant fails to pay any required Tax Payment, the Company may, in its discretion, deduct any Tax Payments from any amount then or thereafter payable by the Company to the Participant and take such other action as deemed necessary to satisfy all obligations for the Tax Payment (including reducing the number of Shares delivered on the Settlement Date). The Participant agrees to pay the Company in the form of a check or cashier's check any overage of the Tax Payment paid by the Company as a result of making whole any partial Share issued through a cashless exercise. Furthermore, the Participant acknowledges and agrees that the Participant will be solely responsible for making any Tax Payment directly to the appropriate taxing authorities should the Participant opt not to satisfy his or her Tax Payment through a cashless exercise.

9. **Rights as Stockholder.** Upon and following the Settlement Date (but not before), the Participant shall be the record or beneficial owner of the Shares unless and until such Shares are sold or otherwise disposed of, and, if a record owner, shall be entitled to all rights of a stockholder of the Company (including voting rights).

10. **Section 409A.** Although the Company does not guarantee the tax treatment of any payments under this Agreement, the intent of the Company is that the payments under this Agreement be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and all Treasury Regulations and guidance promulgated thereunder ("**Code Section 409A**") under the "short-term deferral exception" and to the maximum extent permitted the Agreement shall be limited, construed and interpreted in accordance with such intent. The Company intends that the performance conditions applicable to the Performance-Based RSUs relate to the Company's business activities and/or organizational goals within the meaning of Treas. Reg. 1.409A-1(d)(1). In no event whatsoever shall the Company or its affiliates or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on the Participant by Code Section 409A or damages for failing to comply with Code Section 409A. Notwithstanding the

foregoing or any other provision of this Agreement to the contrary, if at the time of the Participant's separation from service (as defined in Code Section 409A), the Participant is a "Specified Employee," then the Company will defer the payment or commencement of any nonqualified deferred compensation subject to Code Section 409A payable upon separation from service (without any reduction in such payments or benefits ultimately paid or provided to the Participant) until the date that is 6 months following separation from service or, if earlier, the earliest other date as is permitted under Code Section 409A (and any amounts that otherwise would have been paid during this deferral period will be paid in a lump sum on the day after the expiration of the 6 month period or such shorter period, if applicable). The Participant will be a "Specified Employee" for purposes of this Agreement if, on the date of the Participant's separation from service, the Participant is an individual who is, under the method of

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determination adopted by the Company designated as, or within the category of employees deemed to be, a "Specified Employee" within the meaning and in accordance with Treasury Regulation Section 1.409A-1(i). The Company shall determine in its sole discretion all matters relating to who is a "Specified Employee" and the application of and effects of the change in such determination.

11. **Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Puerto Rico applicable to contracts to be performed therein.
12. **Notice.** Every notice or other communication relating to this Agreement shall be made in writing and the notice, request or other communication shall be deemed to be received upon receipt by the party entitled thereto. Any notice, request or other communication by the Participant should be delivered to the Company's Chief Legal Officer.
13. **Miscellaneous.** This Agreement, the Plan and the Covenant Agreements contain the entire agreement between the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto. No change, modification, or waiver of any provision of this Agreement shall be valid unless in writing and signed by the parties hereto. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Plan. The terms and provisions of the Plan and the Vesting Schedule are incorporated herein by reference, and the Participant hereby acknowledges receiving a copy of the Plan. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control.

By clicking "I Accept" in the checkbox below, the Participant is hereby agreeing to the terms and conditions of this Agreement as of the Date of Grant set forth above, and that he or she has read the same, including the Vesting Schedule.

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Exhibit A – Vesting Schedule

Number of Time-Based RSUs to vest	Vesting Date
[*]	02/28/2025
[*]	02/28/2026
[*]	02/28/2027

Number of Performance-Based RSUs to vest	Vesting Date
[*] Adjusted EBITDA RSUs with TSR Modifier	02/28/2027

Participant's Performance-Based RSUs are governed by the following terms and conditions:

1. **Defined Terms.** All capitalized terms used, but not defined in this Exhibit A, shall have the meanings attributed to them in the Agreement.

- 1) **"Accumulated Shares"** means, for a given trading day, the sum of (a) one (1) share and (b) a cumulative number of shares of a company's common stock purchased with dividends declared on a company's common stock, assuming same day reinvestment of the dividends in the common stock of the company at the closing price on the ex-dividend date, for ex-dividend dates during the Opening Average Period or between the Date of Grant and the Vesting Date, as applicable.
- 2) **"Adjusted EBITDA"** means the Company's earnings before interest, taxes, depreciation and amortization, after all typical and applicable adjustments made by the Company.
- 3) **"Closing Average Period"** means the last 20 trading days of the Relative TSR Performance Period.
- 4) **"Closing Average Share Value"** means the average, over the trading days in the Closing Average Period, of the closing price of a company's stock multiplied by the Accumulated Shares for each trading day during the Closing Average Period.
- 5) **"Adjusted EBITDA Performance Period"** means the one-year period commencing on January 1, 2024 and ending on December 31, 2024, consistent with the Company's fiscal year.
- 6) **"Grant Date Fair Value"** means a value arrived at by projecting future stock prices for the Company and the Peer Companies while allowing for greater flexibility and customization of the assumptions and plan design parameters which is necessary to value the Adjusted EBITDA RSUs with a Relative TSR Multiplier.
- 7) **"Opening Average Period"** means the 20 trading days immediately preceding the first day of the Relative TSR Performance Period.
- 8) **"Opening Average Share Value"** means the average, over the trading days in the Opening Average Period, of the closing price of a company's stock multiplied by the Accumulated Shares for each trading day during the Opening Average Period.
- 9) **"Peer Companies"** means the constituents of the Russell 2000 Index as of January 1, 2024.
- 10) **"Performance Period"** means the 3-year period commencing on the Date of Grant and ending on the third-anniversary of the Date of Grant.
- 11) **"Relative TSR"** is a performance metric that compares the Company's TSR to the TSR of each of the Peer Companies using the methodology set forth herein.
- 12) **"Relative TSR Multiplier"** is the multiplier that will be applied to the Adjusted EBITDA RSUs at the end of the Relative TSR Performance Period.
- 13) **"Relative TSR Performance Period"** means the Performance Period for which the TSR metrics for Performance-Based RSUs will be measured.
- 14) **"TSR"** (Total Shareholder Return) means the change in fair market value over a specified period of time, expressed as a percentage, which will be calculated by dividing (a) the Closing Average Share Value by (b) the Opening Average Share Value and subtracting one from the quotient.

2. Metrics for Performance-Based RSUs

The Company will use the following metrics and criteria for calculating the Performance-Based RSUs:

- a) The target number of Performance-Based RSUs that the Participant is granted has been allocated to Adjusted EBITDA RSUs and will be subject to the Relative TSR Multiplier. The actual number of Performance-Based Adjusted EBITDA RSUs with a Relative TSR Multiplier was determined by dividing this portion of the Award's value by the Grant Date Fair Value.
- b) The Adjusted EBITDA RSUs will be based on the Company's actual one-year Adjusted EBITDA measured over the Adjusted EBITDA Performance Period relative to the goals established below.

Performance Level	EVERTEC Adjusted 1-Year EBITDA (millions)	Earned Percentage
Maximum	360.1	200%
Target	327.4	100%
Threshold	311.0	60%
Less Than	311.0	0%

- c) The number of RSUs that are eligible to vest may be greater or less than the resulting number of earned Adjusted EBITDA RSUs depending on the level of attainment of Relative TSR over the Relative TSR Performance Period based on the following percentile approach.

Performance Level	Evertec Percentile Rank vs. Peer Companies	Relative TSR Multiplier
Maximum	75th Percentile or Above	1.25
Target	50th Percentile	1.00
Threshold	≤ 35th Percentile	0.75

- d) The total number of Performance-Based RSUs that will actually vest will be equal to: Target EBITDA RSUs * Earned Percentage * Relative TSR Multiplier.
- e) The actual level of the Earned Percentage and Relative TSR Multiplier will be based on a linear interpolation between threshold and target and between target and maximum levels.
- f) In the event of a payout percentage level above 100%, the Participant will be awarded additional RSUs so that the total number of RSUs which vest as of the Vesting Date equals the RSU amount as calculated in item (d) above. In the event of a payout percentage level below 100%, the original RSU Award amount will be reduced to the extent necessary to provide that the total number of RSUs which vest as of the Vesting Date equals the RSU amount as calculated in item (d) above (any such reduced RSUs to be considered forfeited). This same method will apply to the calculation of dividend equivalents and any shares of Common Stock issued as a result thereof.
- g) Relative TSR will be determined by ranking the Company and the Peer Companies from highest to lowest according to their respective TSRs. After this ranking, the percentile performance of the Company relative to the Peer Companies will be determined as follows:



P = the percentile performance (rounded to the nearest whole percentile)
 N = the number of Peer Companies, plus the Company
 R = the Company's ranking among the Peer Companies

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Example: if there are 24 Peer Companies, and Evertec ranked 7th, the performance would be at the 75th percentile:

$$.75 = 1 - ((7-1)/(25-1))$$

- h) The Peer Companies may be changed if any of the following events occur during the Relative TSR Performance Period:

1. In the event of a merger, acquisition or business combination transaction of a Peer Company with another Peer Company, the surviving entity shall remain a Peer Company.
2. In the event of a merger, acquisition or business combination transaction of a Peer Company with an entity that is not a Peer Company, where the Peer Company is the surviving entity and remains publicly traded, the surviving entity shall remain a Peer Company.
3. In the event of a merger or acquisition or business combination transaction of a Peer Company with an entity that is not a Peer Company, where the Peer Company is not the surviving entity or is otherwise no longer publicly traded, the Peer Company shall be removed from the list of Peer Companies.
4. In the event of a bankruptcy of a Peer Company, or if a Peer Company is delisted, such Peer Company shall remain a Peer Company, but will be allocated a TSR at the lowest position in the final calculation of the percentile rankings.
5. In the event of a stock distribution from a Peer Company consisting of the shares of a new publicly-traded company (a "**spin-off**"), the Peer Company shall remain a Peer Company and the stock distribution shall be treated as a dividend from the Peer Company based on the closing price of the shares of the spun-off company on its first day of trading. The performance of the shares of the spun-off company shall not thereafter be tracked for purposes of calculating TSR.

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EXHIBIT 10.2

EVERTEC, INC.

2022 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (together with the Vesting Schedule (defined below), this **"Agreement"**) is made as of this 29th day of February, 2024 (the **"Date of Grant"**), by and between EVERTEC, Inc. (the **"Company"**) and you (the **"Participant"**). Defined terms used but not otherwise defined herein will have the meanings attributed to them in the Plan (defined below).

WITNESSETH

WHEREAS, the Company maintains the EVERTEC, Inc. 2022 Equity Incentive Plan (the **"Plan"**);

WHEREAS, in connection with the Participant's service as an employee of the Company or any of its Affiliates and Subsidiaries (the **"Employment"**), the Company desires to grant Restricted Stock Units ("RSUs") to the Participant (the **"Award"**), subject to the terms and conditions of the Plan and this Agreement; and

WHEREAS, such RSUs will be time-based RSUs ("Time-Based RSUs"), which vest on a future specified date or dates, as specified in Exhibit A.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the parties agree as follows:

1. **Grant of RSUs.** In consideration of the Employment, the Company will grant to the Participant the number of RSUs set forth in the vesting schedule included herein as Exhibit A (the **"Vesting Schedule"**). Each RSU represents the unfunded and unsecured promise of the Company to deliver to the Participant one share of common stock, par value \$0.01 per share, of the Company (the **"Common Stock"**) on the Settlement Date (as defined in Section 6 hereof).
2. **Purchase Price.** The purchase price of the RSUs shall be deemed to be zero U.S. Dollars (\$0) per share.
3. **Vesting.** The RSUs shall vest and become non-forfeitable on the dates established in the Vesting Schedule (each such date, a **"Vesting Date"**), provided that the Participant is actively carrying out his or her duties in connection with the Employment at all times from the Date of Grant through each respective Vesting Date.
4. **RSUs Vesting Acceleration.**
 - (a) In the event of the Employment's termination due to Participant's death or Disability (defined below), then all of the Time-Based RSUs that have not become vested as of the date of the death or the Termination Date (defined below) due to Participant's Disability, as applicable, shall become fully vested as of the Termination Date conditioned on the Participant, if legally capable at such time, or his estate, beneficiaries or legal representatives, if Participant is deceased or legally incapable at such time, executing a general release of claims related to or arising from Participant's Employment, in a form acceptable to the Company.
 - (b) In the event the Employment is terminated for any other reason, including without limitation by the Company with or without cause or due to the Participant's resignation, then all RSUs that have not become vested as of the Termination Date shall automatically be forfeited.

(c) For purposes of this Agreement:

"Disability" has the following meaning: the Participant's inability to perform the Employment by reason of any medically determinable physical or mental impairment for a period of 6 months or more in any 12-month period.

"Termination Date" is the date the Participant's Employment is terminated under the circumstances set forth in (a) or (b) above.

5. **Dividend Equivalents.** If the Company pays an ordinary cash dividend on its outstanding Common Stock at any time between the Date of Grant and the Settlement Date (as defined in Section 6 below) -- provided that the date on which stockholders of record are determined for purposes of paying a cash dividend on issued and outstanding shares of the Common Stock falls after the Date of Grant -- the Participant shall receive on the Settlement Date or at the next payroll payment (but in no event more than 75 days after the Vesting Date) either: (a) a number of Shares (as defined in Section 6 below) having a Fair

Market Value (as defined below) on the Vesting Date equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date; or (b) a lump sum cash payment equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date ((a) or (b) as applicable, the "**Dividend Payment**"); provided, however, that in the case of (a), any partial Share resulting from the calculation will be paid in cash.

For purposes of this Agreement, "**Fair Market Value**" means the closing price of the Company's Common Stock at the close of business of the applicable date.

6. **Settlement.** Within 75 days following the day any RSUs are vested in accordance with the terms and conditions of this Agreement (the "**Settlement Date**"), the Company shall (a) issue and deliver to the Participant one share of Common Stock for each vested RSU (the "**Shares**") and enter the Participant's name as a shareholder of record or beneficial owner with respect to the Shares on the books of the Company; and (b) calculate the Dividend Payment. The Participant agrees that the Company may deduct from the Dividend Payment any amounts owed by the Participant to the Company with respect to any whole Share issued by the Company to the Participant to cover any partial Share resulting from the settlement process.

7. **Restrictive Covenants.**

(a) The Participant hereby acknowledges that he or she is familiar with the Confidential Information (defined below) of the Company and its Affiliates and Subsidiaries. The Participant acknowledges and agrees that the Company would be irreparably damaged if the Participant were to provide services to any person competing with the Company or any of its Affiliates or Subsidiaries or engaged in a Similar Business (defined below) and that such competition by the Participant would result in a significant loss of goodwill by the Company. Therefore, the Participant agrees that the following are reasonable restrictions:

1. *Similar Business:* In consideration of the Award, during the Employment and for a term of 12 months immediately after the Termination Date, the Participant shall not, directly or indirectly, Engage in Similar Business services or activities within a 10-mile perimeter of where the Company is engaged in business in Puerto Rico and within that same perimeter in any other country with respect to which the Participant performed his duties on a regular basis as an employee for the Company, during the 12 consecutive month period ending on the Termination Date; provided, that nothing herein shall prohibit the Participant from being a passive owner of not more than 5% of the

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outstanding stock of any class of a corporation which is publicly traded so long as the Participant has no active participation in the business of such corporation.

(b) In consideration of the Award, during the Employment and ending 12 months after the Termination Date, the Participant shall not directly, or indirectly through another person, (i) induce or attempt to induce any employee, representative, agent or consultant of the Company or any of its Affiliates or Subsidiaries to leave the employ or services of the Company or any of its Affiliates or Subsidiaries, or in any way interfere with the relationship between the Company or any of its Affiliates or Subsidiaries and any employee, representative, agent or consultant thereof; or (ii) hire any person who was an employee, representative, agent or consultant of the Company or any of its Affiliates or Subsidiaries at any time during the 12 month period immediately prior to the date on which such hiring would take place. No action by another person or entity shall be deemed to be a breach of this provision unless the Participant directly or indirectly assisted, encouraged, or otherwise counseled such person or entity to engage in such activity.

(c) For purposes of this Section 7:

1. "**Engage**" means participate in, consult with, be employed by, or assist with the organization, policy making, ownership, financing, management, operation, or control of any Similar Business in any capacity in which, in the absence of this Agreement, Confidential Information, inventions, Trade Secrets of the Company or Goodwill would reasonably be considered useful.
2. "**Similar Business**" shall mean the same business of providing full-service transaction processing, including merchant acquiring, payment services and business process management services, to the extent such activity or activities were actually performed or engaged in by, for, or on behalf of, the Company or any of its subsidiaries or affiliates during the employment period.
3. "**Confidential Information**" means information that is not generally known to the public (but for purposes of clarity, Confidential Information shall never exclude any such information that becomes known to the public because of Participant's unauthorized disclosure) and that is

used, developed or obtained by the Company in connection with its business, including, but not limited to, information, observations and data obtained by the Participant during the Employment concerning (A) the business or affairs of the Company, its Affiliates or Subsidiaries; (B) products or services; (C) fees, costs and pricing structures; (D) designs; (E) analyses; (F) drawings, photographs and reports; (G) computer software, including operating systems, applications and program listings; (H) flow charts, manuals and documentation; (I) databases; (J) accounting and business methods; (K) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice; (L) customers and Clients and customer or Client lists; (M) other copyrightable works; (N) all production methods, processes, technology and trade secrets; and (O) all similar and related information in whatever form. Confidential Information will not include any information that has been published in a form generally available to the public (except as a result of Participant's unauthorized disclosure or any third party's unauthorized disclosure resulting from any direct or indirect influence by Participant) prior to the date Participant proposes to disclose or use such information. Confidential Information will not be deemed to have been published or otherwise disclosed merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

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8. **Taxes.** Unless otherwise required by applicable law, on the Settlement Date, (a) the Shares and the Dividend Payment will be considered ordinary income for tax purposes and subject to all applicable payroll taxes; (b) the Company shall report such income to the appropriate taxing authorities as it determines to be necessary and appropriate; (c) the Participant shall be responsible for payment of any taxes due in respect of the Shares and the Dividend Payment; and (d) the Company shall withhold taxes in respect of the Shares and the Dividend Payment (a "**Tax Payment**"). In order to satisfy the Participant's obligation to pay the Tax Payment, the Company will withhold from any Shares otherwise to be delivered to the Participant, a number of whole shares of Common Stock having a Fair Market Value equal to the Tax Payment (i.e., a "**cashless exercise**"); provided, however, that the Participant may elect to satisfy his or her obligation to pay the Tax Payment through a non-cashless exercise, by notifying the Company within at least 5 business days before the Settlement Date. If the Participant does not provide such notification within the established timeframe, the Company will proceed with the default method of the cashless exercise. If the Participant fails to pay any required Tax Payment, the Company may, in its discretion, deduct any Tax Payments from any amount then or thereafter payable by the Company to the Participant and take such other action as deemed necessary to satisfy all obligations for the Tax Payment (including reducing the number of Shares delivered on the Settlement Date). The Participant agrees to pay the Company in the form of a check or cashier's check any overage of the Tax Payment paid by the Company as a result of making whole any partial Share issued through a cashless exercise. Furthermore, the Participant acknowledges and agrees that the Participant will be solely responsible for making any Tax Payment directly to the appropriate taxing authorities should the Participant opt not to satisfy his or her Tax Payment through a cashless exercise.
9. **Rights as Stockholder.** Upon and following the Settlement Date (but not before), the Participant shall be the record or beneficial owner of the Shares unless and until such Shares are sold or otherwise disposed of, and, if a record owner, shall be entitled to all rights of a stockholder of the Company (including voting rights).
10. **Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Puerto Rico applicable to contracts to be performed therein. The Participant expressly consents that any action or proceeding relating to the Plan will be heard without a jury. No action relating to the Plan may be brought later than the first anniversary of earlier of termination of employment or other event giving rise to the claim.
11. **Notice.** Every notice or other communication relating to this Agreement shall be made in writing and the notice, request or other communication shall be deemed to be received upon receipt by the party entitled thereto. Any notice, request or other communication by the Participant should be delivered to the Company's Chief Legal Officer.
12. **Miscellaneous.** This Agreement and the Plan contain the entire agreement between the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto. No change, modification, or waiver of any provision of this Agreement shall be valid unless in writing and signed by the parties hereto. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Plan. The terms and provisions of the Plan and the Vesting Schedule are incorporated herein by reference, and the Participant hereby acknowledges receiving a copy of the Plan. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control.

By clicking "I Accept" below, the Participant is hereby agreeing to the terms and conditions of this Agreement as of the Date of Grant set forth above, and that he or she has read the same, including the Vesting Schedule.

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Exhibit A - Vesting Schedule

Number of Time-Based RSUs to vest	Vesting Date
[*]	02/28/2025
[*]	02/28/2026
[*]	02/28/2027

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EXHIBIT 10.3

**EVERTEC, INC.
2022 INCENTIVE AWARD PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (together with the Vesting Schedule (defined below), this “**Agreement**”) is made as of this 24th day of February, 2023 (the “**Date of Grant**”), by and between EVERTEC, Inc. (the “**Company**”) and you (the “**Participant**”). Defined terms used but not otherwise defined herein will have the meanings attributed to them in the Plan (defined below).

WITNESSETH

WHEREAS, the Company maintains the EVERTEC, Inc. 2022 Incentive Award Plan (the “**Plan**”);

WHEREAS, in connection with the Participant’s service as an employee of the Company or any of its affiliates and Subsidiaries (the “**Employment**”), the Company desires to grant Restricted Stock Units (“**RSUs**”) to the Participant (the “**Award**”), subject to the terms and conditions of the Plan and this Agreement; and

WHEREAS, such RSUs will be time-based RSUs (“**Time-Based RSUs**”), which vest on a future specified date or dates, as specified in Exhibit A.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the parties agree as follows:

1. **Grant of RSUs.** In consideration of the Employment, the Company will grant to the Participant the number of RSUs set forth in the vesting schedule included herein as Exhibit A (the “**Vesting Schedule**”). Each RSU represents the unfunded and unsecured promise of the Company to deliver to the Participant one share of common stock, par value \$.01 per share, of the Company (the “**Common Stock**”) on the Settlement Date (as defined in Section 6 hereof).
2. **Purchase Price.** The purchase price of the RSUs shall be deemed to be zero U.S. Dollars (\$0) per share.
3. **Vesting.** The RSUs shall vest and become non-forfeitable on the dates established in the Vesting Schedule (each such date, a “**Vesting Date**”), provided that the Participant is actively carrying out his or her duties in connection with the Employment at all times from the Date of Grant through each respective Vesting Date.
4. **RSUs Vesting Acceleration.**
 - (a) In the event of the Employment’s termination due to Participant’s death or Disability (defined below), then all of the Time-Based RSUs that have not become vested as of the date of the death or the Termination Date (defined below) due to Participant’s Disability, as applicable, shall become fully vested as of the Termination Date conditioned on the Participant, if legally capable at such time, or his estate, beneficiaries or legal representatives, if

Participant is deceased or legally incapable at such time, executing a general release of claims related to or arising from Participant's Employment, in a form acceptable to the Company.

(b) In the event the Employment is terminated for any other reason, including without limitation by the Company with or without cause or due to the Participant's resignation, then all RSUs that have not become vested as of the Termination Date shall automatically be forfeited.

(c) For purposes of this Section 4:

"Disability" has the following meaning: the Participant's inability to perform the Employment by reason of any medically determinable physical or mental impairment for a period of 6 months or more in any 12-month period.

"Termination Date" is the date the Participant's Employment is terminated under the circumstances set forth in (a) or (b) above.

5. **Dividend Equivalents.** If the Company pays an ordinary cash dividend on its outstanding Common Stock at any time between the Date of Grant and the Settlement Date (as defined in Section 6 below)—provided that the date on which stockholders of record are determined for purposes of paying a cash dividend on issued and outstanding shares of the Common Stock falls after the Date of Grant—the Participant shall receive on the Settlement Date or at the next payroll payment (but in no event more than 75 days after the Vesting Date) either: (a) a number of Shares (as defined in Section 6 below) having a Fair Market Value (as defined below) on the Vesting Date equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date; or (b) a lump sum cash payment equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date (a) or (b) as applicable, the **"Dividend Payment"**); provided, however, that in the case of (a), any partial Share resulting from the calculation will be paid in cash.

For purposes of this Agreement, **"Fair Market Value"** means the closing price of the Company's Common Stock at the close of business of the applicable date.

6. **Settlement.** Within 75 days following the day any RSUs are vested in accordance with the terms and conditions of this Agreement (the **"Settlement Date"**), the Company shall (a) issue and deliver to the Participant one share of Common Stock for each vested RSU (the **"Shares"**) and enter the Participant's name as a shareholder of record or beneficial owner with respect to the Shares on the books of the Company; and (b) calculate the Dividend Payment. The Participant agrees that the Company may deduct from the Dividend Payment any amounts owed by the Participant to the Company with respect to any whole Share issued by the Company to the Participant to cover any partial Share resulting from the settlement process.

7. **Restrictive Covenants.**

(a) The Participant hereby acknowledges that he or she is familiar with the Confidential Information (defined below) of the Company and its affiliates and Subsidiaries. The Participant acknowledges and agrees that the Company would be irreparably damaged if the Participant were to provide services to any person competing with the Company or any of its affiliates or Subsidiaries or engaged in a Similar Business (defined below) and that such competition by the Participant would result in a significant loss of goodwill by the Company. Therefore, the Participant agrees that the following are reasonable restrictions:

1. **Similar Business:** In consideration of the Award, during the Employment and for a term of 12 months immediately after the Termination Date, the Participant shall not, directly or indirectly, Engage in Similar Business services or activities within a 10-mile perimeter of where the Company is engaged in business in Puerto Rico and within that same perimeter in any other country with respect to which the Participant performed his duties on a regular basis as an employee for the Company, during the 12 consecutive month period ending on the Termination Date; provided, that nothing herein shall prohibit the Participant from being a passive owner of not more than 5% of the

outstanding stock of any class of a corporation which is publicly traded so long as the Participant has no active participation in the business of such corporation.

(b) In consideration of the Award, during the Employment and ending 12 months after the Termination Date, the Participant shall not directly, or indirectly through another person, (i) induce or attempt to induce any employee, representative, agent or consultant of the Company or any of its affiliates or Subsidiaries to leave the employ or services of the Company or any of its affiliates or Subsidiaries, or in any way interfere with the relationship between the Company or any of its affiliates or Subsidiaries and any employee, representative, agent or consultant thereof; or (ii) hire any person who was an employee, representative, agent or consultant of the Company or any of its affiliates or Subsidiaries at any time during the 12 month period immediately prior to the date on which such hiring would take place. No action by another person or entity shall be deemed to be a breach of this provision unless the Participant directly or indirectly assisted, encouraged or otherwise counseled such person or entity to engage in such activity.

(c) For purposes of this Section 7:

1. **"Engage"** means participate in, consult with, be employed by, or assist with the organization, policy making, ownership, financing, management, operation or control of any Similar Business in any capacity in which, in the absence of this Agreement, Confidential Information, inventions, trade secrets of the Company or goodwill would reasonably be considered useful.
2. **"Similar Business"** shall mean the same business of providing full service transaction processing, including merchant acquiring, payment services and business process management services, to the extent such activity or activities were actually performed or engaged in by, for, or on behalf of, the Company or any of its subsidiaries or affiliates during the Employment period.
3. **"Confidential Information"** means information that is not generally known to the public (but for purposes of clarity, Confidential Information shall never exclude any such information that becomes known to the public because of Participant's unauthorized disclosure) and that is used, developed or obtained by the Company in connection with its business, including, but not limited to, information, observations and data obtained by the Participant during the Employment concerning (A) the business or affairs of the Company, its affiliates or Subsidiaries; (B) products or services; (C) fees, costs and pricing structures; (D) designs; (E) analyses; (F) drawings, photographs and reports; (G) computer software, including operating systems, applications and program listings; (H) flow charts, manuals and documentation; (I) databases; (J) accounting and business methods; (K) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice; (L) customers and clients and customer or client lists; (M) other copyrightable works; (N) all production methods, processes, technology and trade secrets; and (O) all similar and related information in whatever form. Confidential Information will not include any information that has been published in a form generally available to the public (except as a result of Participant's unauthorized disclosure or any third party's unauthorized disclosure resulting from any direct or indirect influence by Participant) prior to the date Participant proposes to disclose or use such information. Confidential Information will not be deemed to have been published or otherwise disclosed merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

8. **Taxes.** Unless otherwise required by applicable law, on the Settlement Date, (a) the Shares and the Dividend Payment will be considered ordinary income for tax purposes and subject to all applicable payroll taxes; (b) the Company shall report such income to the appropriate taxing authorities as it determines to be necessary and appropriate; (c) the Participant shall be responsible for payment of any taxes due in respect of the Shares and the Dividend Payment; and (d) the Company shall withhold taxes in respect of the Shares and the Dividend Payment (a "**Tax Payment**"). In order to satisfy the Participant's obligation to pay the Tax Payment, the Company will withhold from any Shares otherwise to be delivered to the Participant, a number of whole shares of Common Stock having a Fair Market Value equal to the Tax Payment (i.e., a "**cashless exercise**"); provided, however, that the Participant may elect to satisfy his or her obligation to pay the Tax Payment through a non-cashless exercise, by notifying the Company within at least 5 business days before the Settlement Date. If the Participant does not provide such notification within the established timeframe, the Company will proceed with the default method of the cashless exercise. If the Participant fails to pay any required Tax Payment, the Company may, in its discretion, deduct any Tax Payments from any amount then or thereafter payable by the Company to the Participant and take such other action as deemed necessary to satisfy all obligations for the Tax Payment (including reducing the number of Shares delivered on the Settlement Date). The Participant agrees to pay the Company in the form of a check or cashier's check any overage of the Tax Payment paid by the Company as a result of making whole any partial Share issued through a cashless exercise. Furthermore, the Participant acknowledges and agrees that the Participant will be solely responsible for making any Tax Payment directly to the appropriate taxing authorities should the Participant opt not to satisfy his or her Tax Payment through a cashless exercise.

9. **Rights as Stockholder.** Upon and following the Settlement Date (but not before), the Participant shall be the record or beneficial owner of the Shares unless and until such Shares are sold or otherwise disposed of, and, if a record owner, shall be entitled to all rights of a stockholder of the Company (including voting rights).

10. **Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Puerto Rico applicable to contracts to be performed therein. The Participant expressly consents that any action or proceeding relating to the Plan will be heard without a jury. No action relating to the Plan may be brought later than the first anniversary of earlier of termination of Employment or other event giving rise to the claim.

11. **Notice.** Every notice or other communication relating to this Agreement shall be made in writing and the notice, request or other communication shall be deemed to be received upon receipt by the party entitled thereto. Any notice, request or other communication by the Participant should be delivered to the Company's Chief Legal Officer.

12. **Miscellaneous.** This Agreement and the Plan contain the entire agreement between the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless in writing and signed by the parties hereto. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Plan. The terms and provisions of the Plan and the Vesting Schedule are incorporated herein by reference, and the Participant hereby acknowledges receiving a copy of the Plan. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control.

By clicking "I Accept" below, the Participant is hereby agreeing to the terms and conditions of this Agreement as of the Date of Grant set forth above, and that he or she has read the same, including the Vesting Schedule.

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Exhibit A - Vesting Schedule

Number of Time-Based RSUs to vest	Vesting Date
[*]	02/24/2024
[*]	02/24/2025
[*]	02/24/2026

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EXHIBIT 10.4

**EVERTEC, INC.
2013 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (together with the Vesting Schedule (defined below), this "Agreement") is made as of this 25th day of February, 2022 (the "Date of Grant"), by and between EVERTEC, Inc. (the "Company") and you (the "Participant"). Defined terms used but not otherwise defined herein will have the meanings attributed to them in the Plan (defined below).

WITNESSETH

WHEREAS, the Company maintains the EVERTEC, Inc. 2013 Equity Incentive Plan (the "Plan");

WHEREAS, in connection with the Participant's service as an employee of the Company or any of its Affiliates and Subsidiaries (the "**Employment**"), the Company desires to grant Restricted Stock Units ("**RSUs**") to the Participant (the "**Award**"), subject to the terms and conditions of the Plan and this Agreement; and

WHEREAS, such RSUs will be time-based RSUs ("**Time-Based RSUs**"), which vest on a future specified date or dates, as specified in Exhibit A.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the parties agree as follows:

1. **Grant of RSUs.** In consideration of the Employment, the Company will grant to the Participant the number of RSUs set forth in the vesting schedule included herein as Exhibit A (the "**Vesting Schedule**"). Each RSU represents the unfunded and unsecured promise of the Company to deliver to the Participant one share of common stock, par value \$.01 per share, of the Company (the "**Common Stock**") on the Settlement Date (as defined in Section 6 hereof).
2. **Purchase Price.** The purchase price of the RSUs shall be deemed to be zero U.S. Dollars (\$0) per share.
3. **Vesting.** The RSUs shall vest and become non-forfeitable on the dates established in the Vesting Schedule (each such date, a "**Vesting Date**"), provided that the Participant is actively carrying out his or her duties in connection with the Employment at all times from the Date of Grant through each respective Vesting Date.
4. **RSUs Vesting Acceleration.**
 - (a) In the event of the Employment's termination due to Participant's death or Disability (defined below), then all of the Time-Based RSUs that have not become vested as of the date of the death or the Termination Date (defined below) due to Participant's Disability, as applicable, shall become fully vested as of the Termination Date conditioned on the Participant, if legally capable at such time, or his estate, beneficiaries or legal representatives, if Participant is deceased or legally incapable at such time, executing a general release of claims related to or arising from Participant's Employment, in a form acceptable to the Company.
 - (b) In the event the Employment is terminated for any other reason, including without limitation by the Company with or without cause or due to the Participant's resignation, then all RSUs that have not become vested as of the Termination Date shall automatically be forfeited.

(c) For purposes of this Section 4:

"**Disability**" has the following meaning: the Participant's inability to perform the Employment by reason of any medically determinable physical or mental impairment for a period of 6 months or more in any 12-month period.

"**Termination Date**" is the date the Participant's Employment is terminated under the circumstances set forth in (a) or (b) above.

5. **Dividend Equivalents.** If the Company pays an ordinary cash dividend on its outstanding Common Stock at any time between the Date of Grant and the Settlement Date (as defined in Section 6 below) -- provided that the date on which stockholders of record are determined for purposes of paying a cash dividend on issued and outstanding shares of the Common Stock falls after the Date of Grant -- the Participant shall receive on the Settlement Date or at the next payroll payment (but in no event more than 75 days after the Vesting Date) either: (a) a number of Shares (as defined in Section 6 below) having a Fair Market Value (as defined below) on the Vesting Date equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date; or (b) a lump sum cash payment equal to the aggregate amount of the cash dividends paid by the Company on a single share of the Common Stock, multiplied by the number of RSUs that are settled on the Settlement Date (a) or (b) as applicable, the "**Dividend Payment**"; provided, however, that in the case of (a), any partial Share resulting from the calculation will be paid in cash.

For purposes of this Agreement, "**Fair Market Value**" means the closing price of the Company's Common Stock at the close of business of the applicable date.

6. **Settlement.** Within 75 days following the day any RSUs are vested in accordance with the terms and conditions of this Agreement (the "**Settlement Date**"), the Company shall (a) issue and deliver to the Participant one share of Common Stock for each vested RSU (the "**Shares**") and enter the Participant's name

as a shareholder of record or beneficial owner with respect to the Shares on the books of the Company; and (b) calculate the Dividend Payment. The Participant agrees that the Company may deduct from the Dividend Payment any amounts owed by the Participant to the Company with respect to any whole Share issued by the Company to the Participant to cover any partial Share resulting from the settlement process.

7. Restrictive Covenants.

(a) The Participant hereby acknowledges that he or she is familiar with the Confidential Information (defined below) of the Company and its Affiliates and Subsidiaries. The Participant acknowledges and agrees that the Company would be irreparably damaged if the Participant were to provide services to any person competing with the Company or any of its Affiliates or Subsidiaries or engaged in a Similar Business (defined below) and that such competition by the Participant would result in a significant loss of goodwill by the Company. Therefore, the Participant agrees that the following are reasonable restrictions:

1. *Similar Business:* In consideration of the Award, during the Employment and for a term of 12 months immediately after the Termination Date, the Participant shall not, directly or indirectly, Engage in Similar Business services or activities within a 10-mile perimeter of where the Company is engaged in business in Puerto Rico and within that same perimeter in any other country with respect to which the Participant performed his duties on a regular basis as an employee for the Company, during the 12 consecutive month period ending on the Termination Date; provided, that nothing herein shall prohibit the Participant from being a passive owner of not more than 5% of the

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outstanding stock of any class of a corporation which is publicly traded so long as the Participant has no active participation in the business of such corporation.

(b) In consideration of the Award, during the Employment and ending 12 months after the Termination Date, the Participant shall not directly, or indirectly through another person, (i) induce or attempt to induce any employee, representative, agent or consultant of the Company or any of its Affiliates or Subsidiaries to leave the employ or services of the Company or any of its Affiliates or Subsidiaries, or in any way interfere with the relationship between the Company or any of its Affiliates or Subsidiaries and any employee, representative, agent or consultant thereof; or (ii) hire any person who was an employee, representative, agent or consultant of the Company or any of its Affiliates or Subsidiaries at any time during the 12 month period immediately prior to the date on which such hiring would take place. No action by another person or entity shall be deemed to be a breach of this provision unless the Participant directly or indirectly assisted, encouraged or otherwise counseled such person or entity to engage in such activity.

(c) For purposes of this Section 7:

1. **"Engage"** means participate in, consult with, be employed by, or assist with the organization, policy making, ownership, financing, management, operation or control of any Similar Business in any capacity in which, in the absence of this Agreement, Confidential Information, inventions, Trade Secrets of the Company or Goodwill would reasonably be considered useful.
2. **"Similar Business"** shall mean the same business of providing full service transaction processing, including merchant acquiring, payment services and business process management services, to the extent such activity or activities were actually performed or engaged in by, for, or on behalf of, the Company or any of its subsidiaries or affiliates during the employment period.
3. **"Confidential Information"** means information that is not generally known to the public (but for purposes of clarity, Confidential Information shall never exclude any such information that becomes known to the public because of Participant's unauthorized disclosure) and that is used, developed or obtained by the Company in connection with its business, including, but not limited to, information, observations and data obtained by the Participant during the Employment concerning (A) the business or affairs of the Company, its Affiliates or Subsidiaries; (B) products or services; (C) fees, costs and pricing structures; (D) designs; (E) analyses; (F) drawings, photographs and reports; (G) computer software, including operating systems, applications and program listings; (H) flow charts, manuals and documentation; (I) databases; (J) accounting and business methods; (K) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice; (L) customers and Clients and customer or Client lists; (M) other copyrightable works; (N) all production methods, processes, technology and trade secrets; and (O) all similar and related information in whatever form. Confidential Information will not include any information that has been published in a form generally available to the public (except as a result of Participant's unauthorized disclosure or any third party's unauthorized disclosure resulting from any direct or indirect influence by Participant) prior to the date Participant proposes to disclose or use such information. Confidential Information will not be

deemed to have been published or otherwise disclosed merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

8. **Taxes.** Unless otherwise required by applicable law, on the Settlement Date, (a) the Shares and the Dividend Payment will be considered ordinary income for tax purposes and subject to all applicable payroll taxes; (b) the Company shall report such income to the appropriate taxing authorities as it determines to be necessary and appropriate; (c) the Participant shall be responsible for payment of any taxes due in respect of the Shares and the Dividend Payment; and (d) the Company shall withhold taxes in respect of the Shares and the Dividend Payment (a "**Tax Payment**"). In order to satisfy the Participant's obligation to pay the Tax Payment, the Company will withhold from any Shares otherwise to be delivered to the Participant, a number of whole shares of Common Stock having a Fair Market Value equal to the Tax Payment (i.e., a "**cashless exercise**"); provided, however, that the Participant may elect to satisfy his or her obligation to pay the Tax Payment through a non-cashless exercise, by notifying the Company within at least 5 business days before the Settlement Date. If the Participant does not provide such notification within the established timeframe, the Company will proceed with the default method of the cashless exercise. If the Participant fails to pay any required Tax Payment, the Company may, in its discretion, deduct any Tax Payments from any amount then or thereafter payable by the Company to the Participant and take such other action as deemed necessary to satisfy all obligations for the Tax Payment (including reducing the number of Shares delivered on the Settlement Date). The Participant agrees to pay the Company in the form of a check or cashier's check any overage of the Tax Payment paid by the Company as a result of making whole any partial Share issued through a cashless exercise. Furthermore, the Participant acknowledges and agrees that the Participant will be solely responsible for making any Tax Payment directly to the appropriate taxing authorities should the Participant opt not to satisfy his or her Tax Payment through a cashless exercise.
9. **Rights as Stockholder.** Upon and following the Settlement Date (but not before), the Participant shall be the record or beneficial owner of the Shares unless and until such Shares are sold or otherwise disposed of, and, if a record owner, shall be entitled to all rights of a stockholder of the Company (including voting rights).
10. **Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Puerto Rico applicable to contracts to be performed therein. The Participant expressly consent that any action or proceeding relating to the Plan will be heard without a jury. No action relating to the Plan may be brought later than the first anniversary of earlier of termination of employment or other event giving rise to the claim.
11. **Notice.** Every notice or other communication relating to this Agreement shall be made in writing and the notice, request or other communication shall be deemed to be received upon receipt by the party entitled thereto. Any notice, request or other communication by the Participant should be delivered to the Company's Chief Legal Officer.
12. **Miscellaneous.** This Agreement and the Plan contain the entire agreement between the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless in writing and signed by the parties hereto. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Plan. The terms and provisions of the Plan and the Vesting Schedule are incorporated herein by reference, and the Participant hereby acknowledges receiving a copy of the Plan. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control.

By clicking "I Accept" below, the Participant is hereby agreeing to the terms and conditions of this Agreement as of the Date of Grant set forth above, and that he or she has read the same, including the Vesting Schedule.

Exhibit A - Vesting Schedule

Number of Time-Based RSUs to vest	Vesting Date
[*]	02/25/2023
[*]	02/25/2024
[*]	02/25/2025

EXHIBIT 31.1

Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a)

I, Morgan Schuessler, certify that:

1. I have reviewed this report on Form 10-Q of EVERTEC, 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(s) 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. 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 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(s) 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 27, 2023** **May 2, 2024**

/s/ Morgan Schuessler

Morgan Schuessler
Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a)

I, Joaquin A. Castrillo-Salgado, certify that:

1. I have reviewed this report on Form 10-Q of EVERTEC, 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(s) 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. 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 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(s) 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 27, 2023** May 2, 2024

/s/ Joaquin A. Castrillo-Salgado

Joaquin A. Castrillo-Salgado

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**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of EVERTEC, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **October 27, 2023** May 2, 2024

/s/ Morgan Schuessler

Morgan Schuessler

Chief Executive Officer

Certification Pursuant to 18 U.S.C. 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of EVERTEC, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **October 27, 2023** **May 2, 2024**

/s/ Joaquin A. Castrillo-Salgado
Joaquin A. Castrillo-Salgado
Chief Financial Officer

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