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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **August 13, 2019**

REPAY HOLDINGS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**001-38531**	**98-1496050**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3 West Paces Ferry Road
Suite 200
Atlanta, GA 30305
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(404) 504-7472**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.0001 per share	RPAY	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

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

Explanatory Note

This Amendment No. 1 on Form 8-K/A is being filed by Repay Holdings Corporation (the "Company") to amend the Current Report on Form 8-K filed on August 14, 2019 (the "Original Report") to provide the disclosures required by Item 9.01 of Form 8-K that were previously omitted from the Original Report as permitted by Item 9.01(a)(4). Except as provided herein, the disclosures made in the Original Report remain unchanged.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On August 13, 2019, the Company, through its indirect majority owned subsidiary Repay Holdings, LLC (together with the Company, "REPAY"), the members of TriSource Solutions, LLC ("TriSource") and certain other parties entered into a Securities Purchase Agreement dated effective as of August 13, 2019 (as amended or supplemented from time to time, the "Purchase Agreement"), pursuant to which REPAY acquired TriSource (the "Acquisition").

The Company filed the Original Report describing the Acquisition on August 14, 2019, and is now filing this amendment to include the historical financial statements and pro forma financial information required by Item 9.01 of Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The audited TriSource Solutions, LLC financial statements as of and for the year ended December 31, 2018, and the accompanying notes to the audited financial statements, are attached hereto as Exhibit 99.1 and incorporated by reference.

The unaudited TriSource Solutions, LLC financial statements as of and for the six months ended June 30, 2019 and 2018, and the accompanying notes to the unaudited financial statements, are attached hereto as Exhibit 99.2 and incorporated by reference.

(b) Pro Forma Financial Information

The following information is attached hereto as Exhibit 99.3 and incorporated herein by reference:

(i)
Unaudited Pro Forma Condensed Combined Financial Information as of and for the six months ended June 30, 2019 and for the year ended December 31, 2018.

(ii)
Notes to the Unaudited Pro Forma Condensed Combined Financial Information.

(d) Exhibits

Exhibit No.	Description
23.1*	Consent of Honkamp Kreuger & Co., P.C., independent registered public accounting firm for TriSource Solutions, LLC
99.1*	Audited Financial Statements of TriSource Solutions, LLC
99.2*	Unaudited Financial Statements of TriSource Solutions, LLC
99.3*	Pro Forma Financial Information

* Filed herewith

SIGNATURES

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

Repay Holdings Corporation

Dated: September 20, 2019

By: /s/ Timothy J. Murphy
Timothy J. Murphy
Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated September 17, 2019 appearing in this Form 8-K/A with respect to the financial statements of TriSource Solutions, LLC, which are incorporated by reference in the Registration Statement on Form S-3 (File No. 333-232961) filed on August 1, 2019, as amended by Amendment No. 1 to the Registration Statement on Form S-3 (File No. 333-232961) filed on August 6, 2019 and Amendment No. 2 to the Registration Statement on Form S-3 (File No. 333-232961) filed on August 26, 2019 (collectively, the "Registration Statement"). We consent to the use of the aforementioned report in this Registration Statement, and to the use of our name as it appears under the caption "Experts."

/s/ HONKAMP KRUEGER & CO, P.C.

Dubuque, Iowa

September 20, 2019

Exhibit 99.1

TRISOURCE SOLUTIONS, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2018

Table Of Contents	***Page(s)***

HONKAMP KRUEGER & CO, P.C.
CPAs & Business Consultants

Independent Auditors' Report

To the Members
TriSource Solutions, LLC
Bettendorf, Iowa

Report On The Financial Statements

We have audited the accompanying financial statements of TriSource Solutions, LLC, which comprise the balance sheet as of December 31, 2018, the related statements of income, members' equity and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of Trisource Solutions, LLC as of December 31, 2018, and the results of its operations and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of Matter

As discussed is in Note 8, Trisource Solutions, LLC has elected to change its accounting policy by which it accounts for goodwill, eliminating the application of the private company alternative. Our opinion is not modified with respect to this matter.

HONKAMP KRUEGER & CO., P.C.

Honkamp Krueger & Co., P.C.

Davenport, Iowa
September 17, 2019

TRISOURCE SOLUTIONS, LLC

BALANCE SHEET

December 31, 2018

Assets

Current Assets	
Cash	$ 3,061,101
Trade receivables	2,443,675
Prepaid expenses and deposits	147,172
Total Current Assets	5,651,948
Property And Equipment	381,090
Intangible Assets	437,071
Goodwill	2,500,000
Other Assets	
Advances to related party	294,815
Reserve account – restricted as to use	485,338
Total Other Assets	780,153
	$ 9,750,262

Liabilities And Members' Equity

Current Liabilities	
Accounts payable and accrued expenses	$ 1,515,029
Residuals payable	900,968
Total Current Liabilities	2,415,997
Long-Term Liabilities	
Merchant deposits	490,741
Total Long-Term Liabilities	490,741
Total Liabilities	2,906,738
Members' Equity	6,843,524
	$ 9,750,262

See the accompanying notes to financial statements

TRISOURCE SOLUTIONS, LLC

STATEMENTS OF INCOME AND MEMBERS' EQUITY
For The Year Ended December 31, 2018

Statement Of Income

Processing And Annual Fees Revenue	$	**27,751,591**
Direct Expenses		
Agent residuals		**3,159,956**
ISO residuals		**8,197,673**
Authorization fees		**5,503,938**
Other		**372,370**
Total Direct Expenses		**17,233,937**
Gross Profit		**10,517,654**
General And Administrative Expenses		**6,479,192**
Income From Operations		**4,038,462**
Other Income (Expense)		
Interest expense		**(40,561)**
Other income		**142,053**
Total Other Income		**101,492**
Net Income	**$**	**4,139,954**

Statement Of Members' Equity

Balance As Of December 31, 2017 – As Previously Reported	$	**4,118,570**
Change In Accounting Policy		**1,250,000**
Balance As Of December 31, 2017 – As Restated	$	**5,368,570**
Distributions		**(2,665,000)**
Net Income		**4,139,954**
Balance As Of December 31, 2018	**$**	**6,843,524**

See the accompanying notes to financial statements

TRISOURCE SOLUTIONS, LLC

STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2018

Cash Flows From Operating Activities	
Net income	$ 4,139,954
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization of property and equipment	124,283
Loss on sale of property and equipment	322
Changes in assets and liabilities:	
Trade receivables	(835,456)
Prepaid expenses and deposits	(60,222)
Reserve account – restricted as to use	57,746
Accounts payable and accrued expenses	154,268
Residuals payable	79,519
Merchant deposits	(56,454)
Net Cash Provided By Operating Activities	3,603,960
Cash Flows From Investing Activities	
Net advances to related party	(46,025)
Purchases of property and equipment	(227,702)
Net Cash Used In Investing Activities	(273,727)
Cash Flows From Financing Activities	
Net borrowings on line of credit	519,973
Distributions	(2,665,000)
Net Cash Used In Financing Activities	(2,145,027)
Change In Cash	1,185,206
Cash – Beginning Of Year	1,875,895
Cash – End Of Year	$ 3,061,101
Supplemental Disclosure Of Cash Flow Information	
Interest paid	$ 40,561

1. Nature Of Business And Significant Accounting Policies

TriSource Solutions, LLC (the "Company") is a privately-owned company headquartered in Bettendorf, Iowa with an operating facility in East Moline, Illinois. The Company was formed in July 2007 as a result of a merger between CentralBANCARD, LLC and Nobel Electronic Transfer, LLC. The Company provides full-service credit card transaction processing for merchants of acquirer banks and independent sales organizations (ISOs). All functions of settlement processing are handled in-house on internally developed software.

A summary of the Company's significant accounting policies follows:

Reporting Entity

TriSource Solutions, LLC is an 87.69% owned subsidiary of TriSource Solutions, Inc. (the "parent"). These financial statements do not purport to represent the financial position, results of operations or cash flows of the parent company, TriSource Solutions, Inc.

Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash

The Company places its cash with high credit quality financial institutions. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Accounts Receivable

Accounts receivable are carried at the original amount invoiced, less an estimate made for allowance for doubtful accounts. The allowance for doubtful accounts is based on management's review of the outstanding receivables, historical and current collection information, current condition and aging of the accounts and existing economic conditions. Accounts are written off when all collection efforts have been exhausted. Recoveries of accounts receivable previously written off are recorded when received. Management believes that accounts receivable as of December 31, 2018 are fully collectable; therefore, no allowance for doubtful accounts was recorded.

Property And Equipment

Property and equipment are carried at cost, less accumulated depreciation and amortization. Major expenditures for improvements and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation or amortization are removed from the accounts and resulting gains or losses are included in the statement of income.

Property and equipment are depreciated or amortized using the straight-line method over the assets' estimated useful lives.

Intangible Assets

Intangible assets consist of software and portfolios. Software is primarily industry-specific software used to process credit card transactions. Portfolios are books of business purchased by the Company. The Company assesses indefinite-lived assets for impairment annually or more frequently if circumstances indicate impairment may have occurred. The Company has evaluated these assets for impairment as of December 31, 2018 and determined that the carrying values of such assets were not impaired.

Goodwill

The Company evaluates goodwill for impairment at the entity level when a triggering event occurs that indicates that the fair value of the entity may be below its carrying amount. When a triggering event occurs, the Company first assesses qualitative factors to determine whether the quantitative impairment test is necessary. If that qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company performs the quantitative test (referred to as a "Step 2" test) to compare the entity's fair value with its carrying amount, including goodwill. If the qualitative assessment indicates that it is not more likely than not that goodwill is impaired, further testing is unnecessary. The goodwill impairment loss, if any, represents the excess of the carrying amount of the entity over its fair value of the entity.

No triggering events occurred during 2018 that required goodwill impairment testing and, accordingly, no impairment loss was recorded.

Reserve Account – Restricted As To Use And Merchant Deposits

The Company's merchant customers have the liability for any charges properly reversed by the cardholder. In the event, however, that the Company is not able to collect such amounts from the merchants due to merchant fraud, insolvency, bankruptcy or another reason, the Company may be liable for any such reversed charges. The Company's risk of obligation in this area primarily relates to situations where the cardholder has purchased goods or services to be delivered in the future.

The Company requires cash deposits as collateral from ISOs to minimize its obligation. Collateral held by the Company is classified within "reserve account – restricted as to use" and the obligation to repay the collateral if it is not needed is classified within "merchant deposits" on the Company's balance sheet.

The Company utilizes a number of systems and procedures to manage merchant risk. Despite these efforts, the Company historically has experienced some level of losses due to merchant defaults.

The Company's reserve is recorded based primarily on historical experiences and other relevant factors such as economic downturns or increases in merchant fraud. Merchant credit losses are included in "direct expenses" in the Company's statement of income.

Revenue Recognition

Revenue is recognized when credit card transactions are processed. The majority of the Company's revenues are comprised of transaction-based fees, which constitute a percentage of dollar volume processed, a fee per transaction processed, account on file or some combination thereof.

Income Taxes

TriSource Solutions, LLC is a limited liability company. Income from limited liability companies is taxed to the members on their individual returns. Under the terms of the operating agreement, allocations of profits, losses, capital gains and distributions are in accordance with the pro rata number of issued and outstanding units held by each member.

Pending Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in a company providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the calendar year ending December 31, 2019. The Company is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of income. This standard will be effective for the calendar year ending December 31, 2020. The Company is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Subsequent Events

Management has evaluated subsequent events through September 17, 2019, the date the financial statements were available to be reissued.

2. Accounts Receivable And Major Customers

Accounts receivable are presented net of liabilities for which a right of offset exists. The Company receives processing revenue net of all related fees. The acquirer bank offsets the fees against the processing revenue after month end and the net revenue is then available to the Company after offset. Gross fees during the month are charged against the line of credit provided by the acquirer bank. The line of credit can only be used to accumulate fees during the month and the Company cannot borrow funds against the line of credit. This line of credit is limited to $4,000,000, is collateralized by all Company assets and matures September 2019. Interest on outstanding borrowings is payable monthly at the Federal Funds Rate (effective rate of 2.5% as of December 31, 2018). The balance outstanding as of December 31, 2018 was $3,156,243.

Offsetting of assets and liabilities at December 31, 2018 is as follows:

	Gross Amounts Of Assets And Liabilities	Gross Amounts Offset In The Balance Sheet	Net Amount Of Assets Presented In The Balance Sheet
Trade receivables	$ 6,113,914	$ (3,670,239)	$ 2,443,675
Payables and line of credit	(3,670,239)	3,670,239	—
	$ 2,443,675	$ —	$ 2,443,675

Revenue and related accounts receivable from major customers as of and for the year ended December 31, 2018 are as follows:

Customer	Revenue	Accounts Receivable
A	$ 16,933,488	$ 1,404,754
B	3,921,925	390,154

Subsequent to December 31, 2018, the Company extended their line of credit agreement. This agreement increased the maximum draw amount to $5,000,000 and extended the maturity date to December 2019. The line continues to be collateralized by all Company assets, with interest based on the Federal Funds Rate.

3. Property And Equipment

Property and equipment as of December 31, 2018 consists of:

Machinery and equipment	$ 459,760
Software	183,547
Office furniture and fixtures	4,165
	647,472
Less: Accumulated depreciation and amortization	266,382
	$ 381,090

4. Reserve Account – Restricted As To Use And Merchant Deposits

Reserve Account – Restricted As To Use

Reserve accounts are restricted as to use and are reflected in other assets on the Company's balance sheet.

The Company's primary sponsoring acquiring bank requires the Company to maintain a reserve that is the greater of $100,000 or .003% of the cumulative prior six months' net sales volume for all merchants under the bank's sponsorship. At December 31, 2018, the reserve was $331,001. In addition, the Company has established its own reserve account, which totaled $154,337 at December 31, 2018. These reserves are maintained as a contingency against potential transaction losses by merchants processed through the Company.

Merchant Deposits

Each ISO office has a reserve maintained at the level specified in their contract based on a specific percentage of their merchants' monthly dollar volume processed. Initial ISO reserves are based on the ISO principal's credit worthiness along with the expected type of merchants to be boarded from processing. The ISO reserve may have a capped amount, or it may be an ongoing monthly reserve dependent on the performance of the merchant portfolio under each ISO.

5. Related-Party Transactions

The Company and its parent occupy the same corporate office space and share certain administrative expenses. Shared costs are allocated by management. During the year ended December 31, 2018, the Company paid management fees of $1,127,973 to its parent.

The Company is related to DCC Merchant Services USA, LLC and BDH Ventures, LLC through common ownership. The Company had gross processing income and residual expense for the year ended December 31, 2018 as follows:

	Processing Income	Residual Expense
DCC Merchant Services USA, LLC	**$ 124,719**	**$ 53,869**
BDH Ventures, LLC	**2,607**	**656**
	$ 127,326	**$ 54,525**

The Company incurred payroll and related expenses for two of DCC Merchant Services USA, LLC's employees totaling $45,355 for the year ended December 31, 2018.

6. Operating Leases And Commitments

The Company leases office space under non-cancelable operating leases that expire at various dates through November 2021, with options to renew for additional 3-year terms. The agreements require monthly payments ranging from $6,602 to $10,787. Total rent expense for the year ended December 31, 2018 was $196,077.

The Company also leases equipment under cancelable and non-cancelable operating leases that expire at various dates through May 2022. These agreements require monthly payments ranging from $131 to $4,791. Total rent expense under these leases was approximately $100,000 for the year ended December 31, 2018.

Minimum future commitments under non-cancellable operating leases are as follows:

Year	Office Space Leases	Equipment Leases	Total
2019	$ 208,677	$ 5,512	$ 214,189
2020	208,677	3,629	212,306
2021	180,500	3,628	184,128
2022	—	1,209	1,209
	$ 597,854	$ 13,978	$ 611,832

7. Employment Agreements And Phantom Unit Plan

The Company has employment agreements with certain key employees that contain bonus clauses, determined by management of the Company on an annual basis. The bonus, if any, is due within sixty days after the fiscal year. Amounts expensed under these contracts were approximately $363,250 for the year ended December 31, 2018.

In conjunction with the employment agreements with certain key employees, the Company has a phantom unit plan. The total number of phantom units to be granted under this plan cannot exceed 3,000 units. Prior to 2018, the phantom units vested up to 80% based on years of service with the remaining 20% vesting at the time of a change in control event, defined as a more than 50% change in the Company's membership interest or sale of substantially all of the Company. Effective January 1, 2018, the plan was amended, restating all prior terms, to indicate the phantom units vest at the occurrence of a change in control event. Eligible participants were awarded 1,700 phantom units between 2014 and 2017. During 2018, an additional 400 phantom units were granted. As of and for the year ended December 31, 2018, no liability or compensation expense was recorded in the financial statements as a change in control event has not occurred.

In addition, the Company has a separate employment agreement with another key employee. Prior to 2018, this agreement required the transfer of a 9.67% equity ownership as a portion of his compensation. Effective January 1, 2018, the plan was amended, restating all prior terms. Under that new agreement, the key employee is entitled to receive payments based on a 9.67% phantom economic interest in an amount determined by "net sales proceeds" at the time of a change in control event, as defined in the agreement. As of and for the year ended December 31, 2018, no liability or compensation expense was recorded in the financial statements as a change in control event has not occurred.

8. Prior Period Restatement

Effective January 1, 2018, the Company elected to change its accounting policy by which it accounts for goodwill. The Company had previously elected to apply the private company alternative, which allows the Company to amortize goodwill over a period of 10 years. As described in Note 9, the Company had a change in control and is now held by a public business entity. Reporting for public business entities does not allow for adoption of private company alternative. In accordance with FASB ASC Topic 350-20-35 *Overall Accounting For Goodwill Subsequent Measurement*, goodwill shall not be amortized. Instead, goodwill shall be tested at least annually for impairment at a level of reporting referred to as the reporting unit. This change in accounting policy has been applied retrospectively to the financial statements.

The effects of the retrospective restatement on the Company's balance sheet as of December 31, 2017 are as follows:

	As Previously Reported	Adjustments	As Restated
Goodwill	$ 1,250,000	$ 1,250,000	$ 2,500,000
Total Assets	$ 1,250,000	$ 1,250,000	$ 2,500,000
Members' Equity	$ 4,118,570	$ 1,250,000	$ 5,368,570

9. Subsequent Event

On August 14, 2019, the Company was acquired by Hawk Parent Holdings, LLC and Subsidiaries for an amount up to $65 million, which includes a performance based earnout.

Due to the change in control, the amount due to certain key employees under the phantom unit plan and separate employment agreements totaled $1,618,055 and $5,773,865, respectively.

The financial statements have not been adjusted for the impact of these transactions.

Independent Auditors' Report On
Supplementary Information

To the Members
Trisource Solutions, LLC
Bettendorf, Iowa

We have audited the financial statements of Trisource Solutions, LLC as of and for the year ended December 31, 2018, and have issued our report thereon dated September 17, 2019, which contained a unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

HONKAMP KRUEGER & CO., P.C.

Honkamp Krueger & Co., P.C.

Davenport, Iowa
September 17, 2019

TRISOURCE SOLUTIONS, LLC

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

For The Year Ended December 31, 2018

Salaries, wages and management fees	$ 3,935,608
Employee benefits	316,278
Payroll taxes and related costs	205,348
Pension and profit sharing	121,475
Rent	196,077
Professional fees	300,747
Postage and delivery	171,351
Travel and entertainment	71,077
Online and computer	252,033
ISO reserves	73,498
Depreciation and amortization of property and equipment	124,283
Payment card industry compliance testing	165,804
Insurance	186,048
Equipment	26,054
Marketing	38,700
Telephone	21,124
Office	58,023
Utilities	10,837
Software	55,938
Computer and printer	85,211
Credit reports	12,645
Printing and reproduction	6,270
Outside services	7,044
Repairs and maintenance	3,711
Security	3,273
Dues and subscriptions	7,286
Contributions	2,500
Service charges	564
Other	20,385
	$ 6,479,192

Exhibit 99.2

TRISOURCE SOLUTIONS, LLC

UNAUDITED INTERIM FINANCIAL STATEMENTS

JUNE 30, 2019

Table of Contents	*Page(s)*

Financial Statements

TRISOURCE SOLUTIONS, LLC

BALANCE SHEET
(Unaudited)

	June 30, 2019	December 31, 2018
Current Assets		
Cash	$ 3,392,853	$ 3,061,101
Trade receivables	2,797,872	2,443,675
Prepaid expenses and deposits	56,908	147,172
Total Current Assets	**6,247,633**	**5,651,948**
Property and equipment, net	416,654	381,090
Intangible assets	437,071	437,071
Goodwill	2,500,000	2,500,000
Other Assets		
Advances to related party	294,815	294,815
Reserve account - restricted as to use	486,110	485,338
Total Other Assets	**4,134,650**	**4,098,314**
Total Assets	**$ 10,382,282**	**$ 9,750,262**
Current Liabilities		
Accounts payable and accrued expenses	$ 1,375,298	$ 1,515,029
Residuals payable	1,090,501	900,968
Total Current Liabilities	**2,465,799**	**2,415,997**
Long-Term Liabilities		
Merchant deposits	492,045	490,741
Total Long-Term Liabilities	**492,045**	**490,741**
Total Liabilities	**$ 2,957,844**	**$ 2,906,738**
Members' Equity	**$ 7,424,438**	**$ 6,843,524**
Total liabilities and members' equity	**$ 10,382,282**	**$ 9,750,262**

See the accompanying notes to financial statements

TRISOURCE SOLUTIONS, LLC

STATEMENTS OF OPERATIONS
(Unaudited)
For the six months ended

	June 30, 2019	June 30, 2018
Processing and annual fees revenue	$ 15,839,771	$ 13,477,308
Direct Expenses		
Agent residuals	1,551,743	1,504,914
ISO residuals	4,979,530	4,266,274
Authorization fees	2,853,040	2,741,632
Other	246,784	178,615
Total operating expenses	9,631,097	8,691,435
Gross Profit	6,208,674	4,785,874
General and administrative expenses	3,286,224	3,097,964
Income from operations	2,922,451	1,687,910
Other Income (Expenses)		
Interest expense	(36,974)	(16,523)
Interest income	10,095	8,236
Other income (expense)	1,390	50,000
Total other income (expenses)	(25,489)	41,713
Net Income	$ 2,896,961	$ 1,729,623

See the accompanying notes to financial statements

TRISOURCE SOLUTIONS, LLC

STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(Unaudited)
For the six months ended

Balance as of December 31, 2018	$	6,843,524
Distributions		(2,316,047)
Net Income		2,896,961
Balance as of June 30, 2019	$	7,424,438
Balance as of December 31, 2017	$	5,368,570
Distributions		(594,041)
Net Income		1,729,623
Balance as of June 30, 2018	$	6,504,152

See the accompanying notes to financial statements

TRISOURCE SOLUTIONS, LLC

STATEMENT OF CASH FLOWS
(Unaudited)
For the six months ended

		June 30, 2019		June 30, 2018
Cash Flows from Operating Activities				
Net income	$	2,896,961	$	1,729,623
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of property and equipment		56,089		46,464
Loss on sale of property and equipment		-		-
Changes in assets and liabilities:				
Trade receivables		(1,113,860)		(962,302)
Prepaid expenses and deposits		90,265		36,051
Reserve account - restricted as to use		(772)		119,992
Accounts payable and accrued expenses		(139,731)		(153,488)
Residuals payable		189,533		141,645
Merchants deposits		1,304		(118,510)
Net cash provided by operating activities		1,979,789		839,475
Cash Flows from Investing Activities				
Net advances to related parties		0		(46,025)
Purchases of property and equipment		(91,653)		(55,093)
Net cash used in investing activities		(91,653)		(101,117)
Cash Flows from Financing Activities				
Net borrowings on line of credit		759,663		632,760
Distribution		(2,316,047)		(594,041)
Net cash used in financing activities		(1,556,384)		38,720
Change in cash		331,752		777,077
Cash - Beginning of Year		3,061,101		1,875,895
Cash - End of Year	$	3,392,853	$	2,652,972
Supplemental disclosure of cash flow information				
Interest paid	$	36,974	$	16,523

See the accompanying notes to financial statements

1. Nature of Business and Significant Accounting Policies

TriSource Solutions, LLC (the "Company") is a privately-owned company headquartered in Bettendorf, Iowa with an operating facility in East Moline, Illinois. The Company was formed in July 2007 as a result of a merger between CentralBANCARD, LLC and Nobel Electronic Transfer, LLC. The Company provides full-service credit card transaction processing for merchants of acquirer banks and independent sales organizations (ISOs). All functions of settlement processing are handled in-house on internally developed software.

A summary of the Company's significant accounting policies follows:

Reporting Entity

TriSource Solutions, LLC is an 87.69% owned subsidiary of TriSource Solutions, Inc. (the "parent"). These financial statements do not purport to represent the financial position, results of operations or cash flows of the parent company, TriSource Solutions, Inc.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash

The Company places its cash with high credit quality financial institutions. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Accounts Receivable

Accounts receivable are carried at the original amount invoiced, less an estimate made for allowance for doubtful accounts. The allowance for doubtful accounts is based on management's review of the outstanding receivables, historical and current collection information, current condition and aging of the accounts and existing economic conditions. Accounts are written off when all collection efforts have been exhausted. Recoveries of accounts receivable previously written off are recorded when received. Management believes that accounts receivable as of June 30, 2019 and 2018 are fully collectable; therefore, no allowance for doubtful accounts was recorded.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation and amortization. Major expenditures for improvements and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation or amortization are removed from the accounts and resulting gains or losses are included in the statement of income.

Property and equipment are depreciated or amortized using the straight-line method over the assets' estimated useful lives.

Intangible Assets

Intangible assets consist of software and portfolios. Software is primarily industry-specific software used to process credit card transactions. Portfolios are books of business purchased by the Company. The Company assesses indefinite-lived assets for impairment annually or more frequently if circumstances indicate impairment may have occurred. The Company evaluated these assets for impairment as of June 30, 2019 and 2018 and determined that the carrying values of such assets were not impaired.

Goodwill

The Company evaluates goodwill for impairment at the entity level when a triggering event occurs that indicates that the fair value of the entity may be below its carrying amount. When a triggering event occurs, the Company first assesses qualitative factors to determine whether the quantitative impairment test is necessary. If that qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company performs the quantitative test (referred to as a "Step 2" test) to compare the entity's fair value with its carrying amount, including goodwill. If the qualitative assessment indicates that it is not more likely than not that goodwill is impaired, further testing is unnecessary. The goodwill impairment loss, if any, represents the excess of the carrying amount of the entity over its fair value of the entity.

No triggering events occurred during 2019 or 2018 that required goodwill impairment testing and, accordingly, no impairment loss was recorded.

Reserve Account – Restricted as To Use and Merchant Deposits

The Company's merchant customers have the liability for any charges properly reversed by the cardholder. In the event, however, that the Company is not able to collect such amounts from the merchants due to merchant fraud, insolvency, bankruptcy or another reason, the Company may be liable for any such reversed charges. The Company's risk of obligation in this area primarily relates to situations where the cardholder has purchased goods or services to be delivered in the future.

The Company requires cash deposits as collateral from ISOs to minimize its obligation. Collateral held by the Company is classified within "reserve account – restricted as to use" and the obligation to repay the collateral if it is not needed is classified within "merchant deposits" on the Company's balance sheet.

The Company utilizes a number of systems and procedures to manage merchant risk. Despite these efforts, the Company historically has experienced some level of losses due to merchant defaults.

The Company's reserve is recorded based primarily on historical experiences and other relevant factors such as economic downturns or increases in merchant fraud. Merchant credit losses are included in "direct expenses" in the Company's statement of income.

Revenue Recognition

Revenue is recognized when credit card transactions are processed. The majority of the Company's revenues are comprised of transaction-based fees, which constitute a percentage of dollar volume processed, a fee per transaction processed, account on file or some combination thereof.

Income Taxes

TriSource Solutions, LLC is a limited liability company. Income from limited liability companies is taxed to the members on their individual returns. Under the terms of the operating agreement, allocations of profits, losses, capital gains and distributions are in accordance with the pro rata number of issued and outstanding units held by each member.

Pending Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in a company providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the calendar year ending December 31, 2019. The Company is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of income. This standard will be effective for the calendar year ending December 31, 2020. The Company is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Subsequent Events

Management has evaluated subsequent events through September 20, 2019, the date the financial statements were available to be reissued.

2. Accounts Receivable

Accounts receivable are presented net of liabilities for which a right of offset exists. The Company receives processing revenue net of all related fees. The acquirer bank offsets the fees against the processing revenue after month end and the net revenue is then available to the Company after offset. Gross fees during the month are charged against the line of credit provided by the acquirer bank. The line of credit can only be used to accumulate fees during the month and the Company cannot borrow funds against the line of credit. This line of credit is limited to $4,000,000, is collateralized by all Company assets and matures September 2019. Interest on outstanding borrowings is payable monthly at the Federal Funds Rate (effective rate of 2.38% and 2.50% as of June 30, 2019 and December 31, 2018, respectively). The balance outstanding as of June 30, 2019 and December 31, 2018 was $3,915,906 and $3,156,243, respectively.

Offsetting of assets and liabilities at June 30, 2019 and December 31, 2018 is as follows:

	Gross Amounts of Assets and Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amount of Assets Presented in the Balance Sheet
June 30, 2019			
Trade receivables	$ 7,166,660	$ (4,368,789)	$ 2,797,872
Payables and line of credit	(4,368,789)	4,368,789	-
	$ 2,797,872	$ -	$ 2,797,872
December 31, 2018			
Trade receivables	$ 6,113,914	$ (3,670,239)	$ 2,443,675
Payables and line of credit	(3,670,239)	3,670,239	-
	$ 2,443,675	$ -	$ 2,443,675

In 2019, the Company extended their line of credit agreement. This agreement increased the maximum draw amount to $5,000,000 and extended the maturity date to December 2019. The line continues to be collateralized by all Company assets, with interest based on the Federal Funds Rate.

3. Property and Equipment

Property and equipment as of June 30, 2019 and December 31, 2018 consists of:

June 30, 2019		
Machinery and equipment	$	551,413
Software		183,547
Office furniture and fixtures		4,165
		739,125
Less: Accumulated depreciation and amortization		322,471
	$	416,654
December 31, 2018		
Machinery and equipment	$	459,760
Software		183,547
Office furniture and fixtures		4,165
		647,472
Less: Accumulated depreciation and amortization		266,382
	$	381,090

4. Reserve Account – Restricted as To Use and Merchant Deposits

Reserve Account – Restricted as To Use

Reserve accounts are restricted as to use and are reflected in other assets on the Company's balance sheet.

The Company's primary sponsoring acquiring bank requires the Company to maintain a reserve that is the greater of $100,000 or .003% of the cumulative prior six months' net sales volume for all merchants under the bank's sponsorship. At June 30, 2019 and December 31, 2018, the reserve was $367,342 and $331,001, respectively. In addition, the Company has established its own reserve account, which totaled $118,767 and $154,337 at June 30, 2019 and December 31, 2018, respectively. These reserves are maintained as a contingency against potential transaction losses by merchants processed through the Company.

Merchant Deposits

Each ISO office has a reserve maintained at the level specified in their contract based on a specific percentage of their merchants' monthly dollar volume processed. Initial ISO reserves are based on the ISO principal's credit worthiness along with the expected type of merchants to be boarded from processing. The ISO reserve may have a capped amount, or it may be an ongoing monthly reserve dependent on the performance of the merchant portfolio under each ISO.

5. Related-Party Transactions

The Company is related to DCC Merchant Services USA, LLC and BDH Ventures, LLC through common ownership. The Company had gross processing income and residual expense for the six months ended:

	June 30, 2019		June 30, 2018	
	Processing Income	Residual Expense	Processing Income	Residual Expense
DCC Merchant Services USA, LLC	$ 57,950	$ 26,637	$ 64,265	$ 32,865
BDH Ventures, LLC	1,825	520	1,968	559
	$ 59,775	$ 27,157	$ 66,232	$ 33,424

The Company incurred payroll and related expenses for two of DCC Merchant Services USA, LLC's employees totaling $0 and $45,355 for the six months ended June 30, 2019 and 2018, respectively.

6. Operating Leases and Commitments

The Company leases office space under non-cancelable operating leases that expire at various dates through November 2021, with options to renew for additional 3-year terms. The agreements require monthly payments ranging from $6,602 to $10,787. Total rent expense for the six months ended June 30, 2019 and 2018 was $104,339 and $96,931.

The Company also leases equipment under cancelable and non-cancelable operating leases that expire at various dates through May 2022. These agreements require monthly payments ranging from $131 to $4,791. Total rent expense under these leases was approximately $43,027 and $50,099 for the six months ended June 30, 2019 and 2018, respectively.

Minimum future commitments under non-cancellable operating leases are as follows:

	Office Lease	Equipment Lease	Total
2019	$ 104,338	$ 48,539	$ 109,850
2020	208,677	3,629	212,306
2021	180,500	3,628	184,128
2022	-	1,209	1,209.00
2023	-	-	-
Thereafter	-	-	-
	$ 493,515	$ 57,005	$ 550,520

7. Employment Agreements and Phantom Unit Plan

The Company has employment agreements with certain key employees that contain bonus clauses, determined by management of the Company on an annual basis. The bonus, if any, is due within sixty days after the fiscal year. Amounts expensed under these contracts were approximately $0 and $181,625 for the six months ended June 30, 2019 and 2018, respectively.

In conjunction with the employment agreements with certain key employees, the Company has a phantom unit plan. The total number of phantom units to be granted under this plan cannot exceed 3,000 units. Prior to 2018, the phantom units vested up to 80% based on years of service with the remaining 20% vesting at the time of a change in control event, defined as a more than 50% change in the Company's membership interest or sale of substantially all of the Company. Effective January 1, 2018, the plan was amended, restating all prior terms, to indicate the phantom units vest at the occurrence of a change in control event. Eligible participants were awarded 1,700 phantom units between 2014 and 2017. During the first six months of 2018, an additional 400 phantom units were granted. As of and for the six months ended June 30, 2019 and 2018, no liability or compensation expense was recorded in the financial statements as a change in control event has not occurred.

In addition, the Company has a separate employment agreement with another key employee. Prior to 2018, this agreement required the transfer of a 9.67% equity ownership as a portion of his compensation. Effective January 1, 2018, the plan was amended, restating all prior terms. Under that new agreement, the key employee is entitled to receive payments based on a 9.67% phantom economic interest in an amount determined by "net sales proceeds" at the time of a change in control event, as defined in the agreement. As of and for the six months ended June 30, 2019 and 2018, no liability or compensation expense was recorded in the financial statements as a change in control event has not occurred.

8. Subsequent Events

On August 14, 2019, the Company was acquired by Hawk Parent Holdings, LLC and Subsidiaries for an amount up to $65 million, which includes a performance based earnout.

Due to the change in control, the amount due to certain key employees under the phantom unit plan and separate employment agreements totaled $1,618,055 and $5,773,865, respectively.

The financial statements have not been adjusted for the impact of these transactions.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On August 13, 2019, Repay Holdings Corporation ("the Company"), through its indirect majority owned subsidiary Repay Holdings, LLC (together with the Company, "REPAY"), the members of TriSource Solutions, LLC ("TriSource") and certain other parties entered into a Securities Purchase Agreement dated effective as of August 13, 2019 (as amended or supplemented from time to time, the "Purchase Agreement"), pursuant to which REPAY acquired TriSource (the "Acquisition"). Under the terms of the Purchase Agreement, the aggregate consideration paid at closing by REPAY was approximately $60 million in cash. In addition to the closing consideration, the Purchase Agreement contains a performance based earnout based on future results of the acquired business, which could result in an additional payment to the former owners of TriSource of up to $5 million. The Acquisition was financed with a combination of cash on hand and committed borrowing capacity under the Company's existing credit facility.

The following unaudited pro forma condensed combined balance sheet as of June 30, 2019 combines the historical balance sheet of REPAY as of June 30, 2019 and the historical consolidated balance sheet of TriSource as of June 30, 2019, giving effect to the Acquisition as described below on a pro forma basis as if it had been completed on June 30, 2019. The following unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2019 and the year ended December 31, 2018 combines the historical consolidated statement of operations of REPAY for the six months ended June 30, 2019 and the year ended December 31, 2018 with the historical consolidated statement of operations of TriSource for the six months ended June 30, 2019 and the year ended December 31, 2018, giving effect to the Acquisition as described on a pro forma basis as if it had been completed on January 1, 2018. The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X.

For the purposes of the unaudited pro forma condensed combined financial information, REPAY shall refer to Hawk Parent Holdings LLC the parent entity of Repay Holdings, LLC and direct majority owned subsidiary of Repay Holdings Corporation. The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes and the following historical financial statements and accompanying notes of TriSource, which are included elsewhere in this Current Report on Form 8-K:

- TriSource's unaudited financial statements as of and for the six months ended June 30, 2019 and 2018 and the related notes; and
- TriSource's audited financial statements as of and for the year ended December 31, 2018 and the related notes.

The historical financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are related and/or directly attributable to the Acquisition, are factually supportable and are expected to have a continuing impact on the Company's operating results. The adjustments presented in the unaudited pro forma condensed combined financial statements have been identified and presented to provide relevant information necessary for an accurate understanding of the Company upon completion of the Acquisition. The pro forma adjustments set forth in the unaudited pro forma condensed combined financial statements and described in the notes thereto reflect, among other things, the completion of the Acquisition.

The unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting under the provisions of ASC 805 on the basis of REPAY as the accounting acquirer. Accordingly, the purchase price is allocated to the underlying assets acquired and liabilities assumed based on their estimated fair values as of the closing of the Acquisition, with any excess purchase price allocated to goodwill. REPAY has not completed the detailed valuations necessary to estimate the fair value of the assets acquired and the liabilities assumed and, accordingly, the adjustments to record the assets acquired and liabilities assumed at fair value reflect the best estimates of REPAY based on the information currently available and are subject to change once additional analyses are completed.

The unaudited pro forma condensed combined financial information is for illustrative purposes only. You should not rely on the unaudited pro forma condensed combined financial information as being indicative of the historical results that would have been achieved had the Acquisition occurred on the dates indicated or the future results that the Company will experience. The unaudited pro forma condensed combined financial information is not necessarily indicative of results as of or for periods after June 30, 2019.

In addition, the pro forma adjustments are based on the information currently available and the assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes. Actual results may differ materially from the assumptions used to present the accompanying unaudited pro forma condensed combined financial statements.

PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF JUNE 30, 2019
(UNAUDITED)

	REPAY Historical	TriSource Historical	Adjustments	Combined Pro Forma
Assets				
Cash and cash equivalents	$ 10,899,215	$ 3,392,853	$ (10,813,072)[(a)]	$ -
			(3,392,853)[(b)]	
			(86,143)[(c)]	
Accounts receivable	7,019,713	2,797,872		9,817,585
Prepaid expenses and other	865,227	56,908		922,135
Other Current Assets	-	-		-
Total current assets	**18,784,155**	**6,247,633**	**(14,292,068)**	**10,739,719**
Property, plant and equipment, net	1,162,997	416,654		1,579,651
Related party receivable		294,815	(294,815)[(d)]	-
Restricted cash	7,412,156	486,110		7,898,266
Intangible assets, net of amortization	66,172,294	437,071	31,062,929[(e)]	97,672,294
Goodwill	119,529,202	2,500,000	27,520,300[(e)]	149,549,502
Other assets	-	-		-
Total noncurrent assets	**194,276,649**	**4,134,650**	**58,288,415**	**256,699,714**
Total assets	**$ 213,060,804**	**$ 10,382,282**	**$ 43,996,347**	**$ 267,439,433**
Liabilities				
Accounts payable	$ 1,701,415	$ 2,306,470	$ 9,455,599[(f)]	$ 13,463,484
Accrued expenses	7,928,992	159,329[(1)]		8,088,321
Current maturities of long-term debt	4,900,000	-	1,000,000[(g)]	5,900,000
Total current liabilities	**14,530,407**	**2,465,799**	**10,455,599**	**27,451,805**
Long-term debt, net of current maturities	83,568,906	-	38,801,329[(g)]	122,370,235
Seller's note	-	-		-
Line of credit	3,500,000	-		3,500,000
Indebtedness to related parties	-	-		-
Oher liabilities	16,863	492,045[(2)]	2,250,000[(h)]	508,908
Total noncurrent liabilities	**87,085,769**	**492,045**	**41,051,329**	**126,379,143**
Total liabilities	**$ 101,616,176**	**$ 2,957,844**	**$ 51,506,928**	**$ 156,080,947**
Commitment and Contingencies				
Members' Equity	**$ 111,444,628**	**$ 7,424,438**	**$ (7,510,581)[(i)]**	**$ 111,358,485**
Total liabilities and members' equity	**$ 213,060,804**	**$ 10,382,282**	**$ 43,996,347**	**$ 267,439,433**

See accompanying notes to the unaudited pro forma condensed combined financial statements.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(UNAUDITED)

	REPAY Historical	TriSource Historical	Adjustments	Combined Pro Forma
Revenue				
Processing and service fees	$ 46,969,843	$ 15,839,771 **(1)**	$ (2,558,423) **(aa)**	$ 60,251,191
Interchange and network fees	28,512,816	-		28,512,816
Total Revenue	75,482,659	15,839,771	(2,558,423)	88,764,007
Expenses				
Interchange and network fees	28,512,816	-		28,512,816
Cost of services	12,008,968	9,631,097 **(2)**	(2,558,423) **(aa)**	19,081,641
Selling, general and administrative	17,132,179	3,230,135 **(3)**		20,362,314
Depreciation and amortization	5,889,627	56,089 **(3)**	2,045,833 **(bb)**	7,991,549
Change in fair value of contingent consideration	-	-		-
Total operating expenses	63,543,590	12,917,321	(512,590)	75,948,320
(Loss) income from operations	11,939,069	2,922,451	(2,045,833)	12,815,686
Other Income (Expenses)				
Interest expense	(2,918,628)	(36,974)	(1,186,380) **(cc)**	(4,141,981)
Interest income	-	10,095		10,095
Other income (expense)	38	1,390		1,428
Total other income (expenses)	(2,918,590)	(25,489)	(1,186,380)	(4,130,459)
Net Income	$ 9,020,479	$ 2,896,961	$ (3,232,213)	$ 8,685,227

See accompanying notes to the unaudited pro forma condensed combined financial statements.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

	REPAY Historical	TriSource Historical	Adjustments	Combined Pro Forma
Revenue				
Processing and service fees	$ 82,186,411	$ 27,751,591 (1)	$ (3,921,925) (aa)	$ 106,016,077
Interchange and network fees	47,826,529	-		47,826,529
Total Revenue	130,012,940	27,751,591	(3,921,925)	153,842,606
Expenses				
Interchange and network fees	47,826,529	-		47,826,529
Cost of services	27,159,763	17,233,937 (2)	(3,921,925) (aa)	40,471,775
Selling, general and administrative	29,097,302	6,354,909 (3)		35,452,211
Depreciation and amortization	10,421,000	124,283 (3)	4,091,667 (bb)	14,636,950
Change in fair value of contingent consideration	(1,103,012)	-		(1,103,012)
Total operating expenses	113,401,582	23,713,129	169,742	137,284,453
(Loss) income from operations	16,611,358	4,038,462	(4,091,667)	16,558,153
Other Income (Expenses)				
Interest expense	(6,072,837)	(40,561)	(2,244,638) (cc)	(8,358,036)
Interest income	-	-		-
Other income (expense)	(1,078)	142,053		140,975
Total other income (expenses)	(6,073,915)	101,492	(2,244,638)	(8,217,061)
Net Income	$ 10,537,443	$ 4,139,954	$ (6,336,305)	$ 8,341,092

See accompanying notes to the unaudited pro forma condensed combined financial statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Description of the Acquisition and basis of presentation

Description of the Acquisition

On August 13, 2019, Repay Holdings Corporation (the “Company”), through its indirect majority owned subsidiary Repay Holdings, LLC (together with the Company, “REPAY”), the members of TriSource Solutions, LLC (“TriSource”) and certain other parties entered into a Securities Purchase Agreement dated effective as of August 13, 2019 (as amended or supplemented from time to time, the “Purchase Agreement”), pursuant to which REPAY acquired TriSource (the “Acquisition”). Under the terms of the Purchase Agreement, the aggregate consideration paid at closing by REPAY was approximately $60 million in cash. In addition to the closing consideration, the Purchase Agreement contains a performance based earnout based on future results of the acquired business, which could result in an additional payment to the former owners of TriSource of up to $5 million. The Acquisition was financed with a combination of cash on hand and committed borrowing capacity under the Company’s existing credit facility. The Purchase Agreement contains customary representations, warranties and covenants by REPAY and the former owners of TriSource, as well as a customary post-closing adjustment provision relating to working capital and similar items.

TriSource, founded in 2007, provides back-end transaction processing services to independent sales organizations (“ISO’s”) and operates as a direct ISO on behalf of its owned portfolios and external sales agents. Since 2012, REPAY has used TriSource as one of its primary third-party processors for back-end settlement solutions when REPAY facilitates a transaction as a merchant acquirer. REPAY’s processing agreement with TriSource was entered into in 2012 and was most recently amended as of September 30, 2018. Payments processed through TriSource represented $6.0 billion in payment volume during the year ended December 31, 2018.

Basis of Presentation

TriSource constitutes a business, with inputs, processes, and outputs. Accordingly, the Acquisition constitutes the acquisition of a business for purposes of ASC 805, and due to the changes in control from the Acquisition is accounted for using the acquisition method.

Under the acquisition method, the acquisition date fair value of the gross consideration paid by REPAY to close the acquisition was allocated to the assets acquired and the liabilities assumed based on their estimated fair values. Management has made significant estimates and assumptions in determining the preliminary allocation of the gross consideration transferred in the unaudited pro forma condensed combined financial information. As the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The pro forma adjustments reflecting the consummation of the acquisition are based on certain currently available information and certain assumptions and methodologies that REPAY believes are reasonable under the circumstances. The unaudited condensed pro forma adjustments may be revised as additional information becomes available and alternative valuation methodologies are evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the differences may be material. REPAY believes that its assumptions and methodologies provide a reasonable basis for presenting all the significant effects of the Acquisition contemplated based on information available to management at the time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Acquisition taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the Company. They should be read in conjunction with the historical financial statements and notes thereto of REPAY and TriSource.

2. Accounting Policies

The Company will perform a comprehensive review of TriSource's accounting policies. As a result of the review, management may identify differences between the accounting methodologies of REPAY and TriSource, which, when conformed, could have a material impact on the financial statements of the Company. Based on its initial analysis, management did identify that the revenue recognition policy could have a material impact on the unaudited pro forma condensed combined financial information. An evaluation of TriSource's revenue recognition policy under ASC 605 could result in material but offsetting adjustments to both interchange and network fee revenue and expense. As such, the unaudited pro forma condensed combined financial information does not include any adjustments for accounting policy differences.

3. Estimated Preliminary Purchase Price Allocation

The preliminary consideration and allocation of the purchase price to the fair value of TriSource's assets acquired and liabilities assumed, as if the acquisition date was June 30, 2019 is presented below. REPAY has not completed the detailed valuations necessary to estimate the fair value of the assets acquired and the liabilities assumed and, accordingly, the adjustments to record the assets acquired and liabilities assumed at fair value reflect the best estimates of REPAY based on the information currently available and are subject to change once additional analyses are completed. Furthermore, the final purchase price of the TriSource is subject to the settlement of certain closing adjustment items pursuant to the Securities Purchase Agreement, including, among others, transaction expenses and working capital adjustments.

Calculation of consideration per the Securities Purchase Agreement	
Cash Consideration	$ 60,070,000
Contingent consideration	2,250,000
Total consideration	**$ 62,320,000**

Recognized amounts of identifiable assets acquired and liabilities assumed	
Accounts receivable	$ 2,797,872
Prepaid expenses and other current assets	56,908
Property, plant and equipment, net	416,654
Restricted cash	486,110
Accounts payable and accrued expenses	(2,465,799)
Other liabilities	(492,045)
Identifiable intangible assets	31,500,000
Goodwill	30,020,300
Net assets acquired	**$ 62,320,000**

Intangible Assets. Intangible assets were identified that met either the separability criterion or the contractual-legal criterion described in ASC 805. The noncompetition agreements intangible assets represent the value of the existing noncompetition agreements for specific key personnel. The trade name intangible asset represents the TriSource trade names, which was valued using the relief-from-royalty method. The developed technology intangible asset represents the software developed by REPAY employees and contractors for the purpose of generating income for REPAY, valued using the relief-from-royalty method. The merchant relationships intangible asset represents the existing customer relationships, valued using a discounted cash flow model using projected sales growth and customer attrition. The channel relationship intangible asset represents existing employees focused on business development and relationship management.

Identifiable intangible assets	**Fair Value (in thousands)**	**Useful life (in years)**
Non-competition agreements	$ 250	2
Trade names	800	Indefinite
Developed technology	3,950	3
Customer and agent relationships	26,500	10
	$ 31,500	

Goodwill. Approximately $30.0 million has been allocated to goodwill. Goodwill represents the excess of the gross consideration transferred over the fair value of the underlying net tangible and identifiable definite-lived intangible assets acquired. Qualitative factors that contribute to the recognition of goodwill include certain intangible assets that are not recognized as separate identifiable intangible assets apart from goodwill. Intangible assets not recognized apart from goodwill consist primarily of the strong market position and the assembled workforce of TriSource.

In accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 350, *Goodwill and Other Intangible Assets*, goodwill will not be amortized, but instead will be tested for impairment at least annually or more frequently if certain indicators are present. In the event management of the Company determines that the value of goodwill has become impaired, an accounting charge for impairment during the quarter in which the determination is made may be recognized.

4. Reclassifications of TriSource's Financial Statements

Certain historical financial information of TriSource has been reclassified to conform to the presentation used by REPAY. These reclassifications include:

Unaudited Pro Forma Condensed Combined Balance Sheet

(1) The reclassification of $159,329 of accrued expenses from accounts payable and accrued expenses.

(2) The reclassification of $492,045 of merchant deposits to other liabilities.

Unaudited Pro Forma Condensed Combined Statement of Operations

(1) The reclassification of $15,839,771 and $27,751,591 from processing and annuals fees to processing and service fees for the six months ended June 30, 2019 and the year ended December 31, 2018, respectively.

(2) The reclassification of $9,631,097 and $17,233,937 from direct expenses to cost of services for the six months ended June 30, 2019 and the year ended December 31, 2018, respectively.

(3) The reclassification of $56,089 and $124,283 from selling, general and administrative expense to depreciation and amortization expense for the six months ended June 30, 2019 and the year ended December 31, 2018, respectively.

5. Pro Forma Adjustments

The unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the Acquisition and has been prepared for informational purposes only.

The historical financial statements have been adjusted in the unaudited pro forma condensed combined financial information to give pro forma effect to events that are directly attributable to the Acquisition, factually supportable, and with respect to the statements of operations, expected to have a continuing impact on the results of the Company.

Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet

(a) Represents the payment of cash consideration of $60.1 million to the selling members of TriSource, less the closing adjustments ($9.5 million), pursuant to the Securities Purchase Agreement. Further this amount is reduced by the amount of cash consideration funded by proceeds from new borrowings by REPAY ($39.8 million).

(b) Represents the distribution of TriSource cash on hand ($3.4 million) to the selling members of TriSource.

(c) Reflects the payment of transaction costs of $86,143, in excess of those transaction costs included in the closing adjustments, pursuant to the Securities Purchase Agreement.

(d) Reflects the settlement of $294,815 of related party receivables, via distribution to the affiliated members.

(e) Reflects the adjustment of historical intangible assets acquired by the Company to their estimated fair values. As part of the preliminary valuation analysis, the Company identified intangible assets, including technology, trade names, non-compete agreements and customer relationships. The amount of total consideration paid, in excess of the identifiable intangibles assets and net tangibles assets represents the fair value of the goodwill. The fair value of identifiable intangible assets is determined primarily using the "income approach," which requires a forecast of all of the expected future cash flows.

These preliminary estimates of fair value and estimated useful lives could differ from final amounts the Company will calculate after completing a detailed valuation analysis, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements.

Intangible assets, net – carrying value	$ 437,071
Intangible assets, net – fair value	31,500,000
Pro forma adjustment to intangible assets, net	$ 31,062,929

Goodwill – carrying value	$ 2,500,000
Goodwill – fair value	30,020,300
Pro forma adjustment to goodwill, net	$ 27,520,300

(f) Represents the closing adjustments to the purchase price of TriSource. The balance is comprised of change of control payments ($8.3 million), transaction expenses ($0.4 million), adjustment escrow ($0.5 million), and indemnification escrow ($0.3 million).

(g) Reflects the issuance of $40.0 million of new debt issued at closing of the Acquisition, in the form of a delayed draw of a six-year senior secured term loan facility, entered into on July 11, 2019. The new term loan is expected to bear interest at either an adjusted LIBOR plus 4.50% per annum or alternative base rate plus 3.50% per annum. The proceeds are received net of deferred debt issuance costs of $198,671.

(h) Represents the fair value of the contingent consideration, payable to the selling members of TriSource, pursuant to the terms of the Purchase Agreement.

(i) Reflects the elimination of historical equity of TriSource and the adjustment for the earn-out and transaction expenses, as follows:

Reversal of TriSource members' equity	$ (7,424,438)
Transaction expenses in excess of closing adjustment	(86,143)
Pro forma adjustment to members' equity	$ (7,510,581)

Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations

(aa) Represents the elimination of intercompany transactions between TriSource and REPAY.

(bb) Represents incremental amortization expense related to the new fair value of intangibles of the Company at the closing of the Acquisition.

For the six months ended June 30, 2019	Non-Competition Agreements	Developed Technology	Customer & Agent Relationships
Fair value at the closing of the Acquisition	$ 250,000	$ 3,950,000	$ 26,500,000
Useful life (years)	2	3	10
Amortization expense through June 30, 2019	62,500	658,333	1,325,000
TriSource historical amortization expense	—	—	—
Pro forma adjustment	$ 62,500	$ 658,333	$ 1,325,000

For the year ended December 31, 2018	Non-Competition Agreements	Developed Technology	Customer & Agent Relationships
Fair value at the closing of the Acquisition	$ 250,000	$ 3,950,000	$ 26,500,000
Useful life (years)	2	3	10
Amortization expense through December 31, 2018	125,000	1,316,667	2,650,000
REPAY historical amortization expense	—	—	—
Pro forma adjustment	$ 125,000	$ 1,316,667	$ 2,650,000

(cc) Represents estimated interest expense related to the incremental debt issued by the Company at the closing of the Acquisition as follows:

For the six months ended June 30, 2019	
Incremental debt	$ 40,000,000
Interest rate(1)	6.00%
Interest on debt	1,169,824
Amortization of incremental deferred financing fees	16,556
Pro forma adjustment	$ 1,186,380

For the year ended December 31, 2018	
Incremental debt	$ 40,000,000
Interest rate(1)	5.53%
Interest on debt	2,211,526
Amortization of incremental deferred financing fees	33,112
Pro forma adjustment	$ 2,244,638

(1) The interest rate is calculated as the average 1-month LIBOR for the six months ended June 30, 2019 and the year ended December 31, 2018, plus a spread of 3.50%.