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

FORM 10-Q

(Mark One)

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

For the quarterly period ended 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 001-41043

Expensify, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-0239450**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
401 SW 5th Ave **Portland, Oregon**	**97204**
(Address of Principal Executive Offices)	(Zip Code)

(971) 365-3939
Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.0001 per share	EXFY	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period

that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The registrant had outstanding 71,764,817 shares of Class A common stock, par value of $0.0001 per share, 7,333,335 shares of LT10 common stock, par value $0.0001 per share, and 7,395,695 shares of LT50 common stock, par value $0.0001 per share, as of May 6, 2024.

Table of Contents

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future financial condition, future operations, projected costs, prospects, plans, objectives of management and expected market growth, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “shall,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” “goal,” “objective,” “seeks,” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. There are a number of risks, uncertainties, and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this Quarterly Report on Form 10-Q. Such risks, uncertainties and other important factors include, among others:

- our expectations regarding our financial performance and future operating performance;
- our ability to attract and retain members, expand usage of our platform, sell subscriptions to our platform and convert individuals and organizations into paying customers;
- the timing and success of new features, integrations, capabilities and enhancements by us, or by competitors to their products, or any other changes in the competitive landscape of our market;
- the amount and timing of operating expenses and capital expenditures that we may incur to maintain and expand our business and operations to remain competitive;
- the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs;
- our ability to make required payments under and to comply with the various requirements of our current and future indebtedness;
- our cash flows, the prevailing stock prices, general economic and market conditions and other considerations that could affect the specific timing, price and size of repurchases under our stock repurchase program or our ability to fund any stock repurchases;
- geopolitical tensions, including the war in Ukraine and the conflict in Israel, Gaza and surrounding areas;
- the impact of inflation on us and our members;
- our borrowing costs have and may continue to increase as a result of increases in interest rates
- our ability to effectively manage our exposure to fluctuations in foreign currency exchange rates;
- the size of our addressable markets, market share and market trends;
- anticipated trends, developments and challenges in our industry, business and the highly competitive markets in which we operate;
- our expectations regarding our income tax liabilities and the adequacy of our reserves;
- our ability to effectively manage our growth and expand our infrastructure and maintain our corporate culture;
- our ability to identify, recruit and retain skilled personnel, including key members of senior management;
- the safety, affordability and convenience of our platform and our offerings;

- our ability to successfully defend litigation brought against us;
- our ability to successfully identify, manage and integrate any existing and potential acquisitions of businesses, talent, technologies or intellectual property;
- general economic conditions in either domestic or international markets, including geopolitical uncertainty and instability;
- our ability to protect against security incidents, technical difficulties, or interruptions to our platform;
- our ability to maintain, protect and enhance our intellectual property; and
- the other risks and uncertainties identified under Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations, estimates, forecasts and projections about future events and trends that we believe may affect our business, results of operations, financial condition and prospects. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report on Form 10-Q, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2023, and any subsequent filings, as well as those identified in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely upon these statements. Unless otherwise indicated or unless the context requires otherwise, all references in this document to “Expensify,” the “Company,” “we,” “us,” “our” or similar references are to Expensify, Inc. and its consolidated subsidiaries. Capitalized terms used and not defined above are defined elsewhere within this Quarterly Report on Form 10-Q.

Part I - Financial Information

Item 1. Condensed Consolidated Financial Statements

Expensify, Inc.
Condensed Consolidated Balance Sheets
(unaudited, in thousands, except share data)

	As of March 31, 2024	As of December 31, 2023
Assets		
Cash and cash equivalents	$ 49,340	$ 47,510
Accounts receivable, net	13,557	13,834
Settlement assets, net	48,513	39,261
Prepaid expenses	4,379	5,649
Other current assets	27,399	30,978
Total current assets	143,188	137,232
Capitalized software, net	15,107	12,494
Property and equipment, net	14,138	14,372
Lease right-of-use assets	5,954	6,435
Deferred tax assets, net	466	457
Other assets	5,918	5,794
Total assets	$ 184,771	$ 176,784
Liabilities and stockholders' equity		
Accounts payable	$ 1,373	$ 1,425
Accrued expenses and other liabilities	10,326	9,390
Borrowings under line of credit	15,000	15,000
Current portion of long-term debt, net of original issue discount and debt issuance costs	7,624	7,655
Lease liabilities, current	436	432
Settlement liabilities	35,560	33,990
Total current liabilities	70,319	67,892
Lease liabilities, non-current	6,155	6,467
Other liabilities	1,787	1,681
Total liabilities	78,261	76,040
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Preferred stock, par value $0.0001; 10,000,000 shares of preferred stock authorized as of March 31, 2024 and December 31, 2023; no shares of preferred stock issued and outstanding as of March 31, 2024 and December 31, 2023	—	—
Common stock, par value $0.0001; 1,000,000,000 shares of Class A common stock authorized as of March 31, 2024 and December 31, 2023; 71,755,477 and 70,569,815 shares of Class A common stock issued and outstanding as of March 31, 2024 and December 31, 2023, respectively; 24,994,705 and 24,994,989 shares of LT10 common stock authorized as of March 31, 2024 and December 31, 2023, respectively; 7,333,335 and 7,333,619 shares of LT10 common stock issued and outstanding as of March 31, 2024 and December 31, 2023, respectively; 24,969,634 and 24,998,941 shares of LT50 common stock authorized as of March 31, 2024 and December 31, 2023, respectively; 7,395,695 and 7,321,894 shares of LT50 common stock issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	9	8
Additional paid-in capital	251,055	241,509
Accumulated deficit	(144,554)	(140,773)
Total stockholders' equity	106,510	100,744
Total liabilities and stockholders' equity	$ 184,771	$ 176,784

See accompanying notes to Condensed Consolidated Financial Statements.

Expensify, Inc.
Condensed Consolidated Statements of Operations
(unaudited, in thousands, except share and per share data)

	Three Months Ended March 31,	
	2024	2023
Revenue	$ 33,535	$ 40,101
Cost of revenue, net	14,584	15,775
Gross margin	18,951	24,326
Operating expenses:		
Research and development	5,929	5,418
General and administrative	11,431	12,429
Sales and marketing	3,384	9,183
Total operating expenses	20,744	27,030
Loss from operations	(1,793)	(2,704)
Interest and other expenses, net	(954)	(1,416)
Loss before income taxes	(2,747)	(4,120)
Provision for income taxes	(1,034)	(1,825)
Net loss	$ (3,781)	$ (5,945)
Net loss per share:		
Basic and diluted	$ (0.04)	$ (0.07)
Weighted average shares of common stock used to compute net loss per share:		
Basic and diluted	85,141,411	81,768,429

See accompanying notes to Condensed Consolidated Financial Statements.

Expensify, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(unaudited, in thousands, except share data)

	Preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Shares	Amount	Shares	Amount			
Three months ended March 31, 2024							
Balance at December 31, 2023	—	$ —	85,225,328	$ 8	$ 241,509	$ (140,773)	$ 100,744
Issuance of common stock on exercise of stock options	—	—	42,304	—	39	—	39
Vesting of early exercised stock options	—	—	—	—	137	—	137
Issuance of restricted stock units	—	—	7,288	—	18	—	18
Repurchases of early exercised stock options	—	—	(30,434)	—	—	—	—
Issuance of common stock under Matching Plan	—	—	1,030,144	1	913	—	914
Issuance of common stock in connection with restricted stock units vesting	—	—	209,877	—	—	—	—
Stock-based compensation	—	—	—	—	8,439	—	8,439
Net loss	—	—	—	—	—	(3,781)	(3,781)
Balance at March 31, 2024	—	$ —	86,484,507	$ 9	$ 251,055	$ (144,554)	$ 106,510

See accompanying notes to Condensed Consolidated Financial Statements.

Expensify, Inc.
Condensed Consolidated Statements of Changes in Stockholders’ Equity
(unaudited, in thousands, except share data)

	Preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Shares	Amount	Shares	Amount			
Three months ended March 31, 2023							
Balance at December 31, 2022	—	$ —	82,429,367	$ 7	$ 194,807	$ (97,573)	$ 97,241
Issuance of common stock upon exercise of stock options	—	—	50,994	—	66	—	66
Vesting of early exercised stock options	—	—	—	—	216	—	216
Issuance of restricted stock units	—	—	1,548	—	31	—	31
Repurchases of early exercised stock options	—	—	(735)	—	(7)	—	(7)
Issuance of common stock under Matching Plan	—	—	163,417	—	1,099	—	1,099
Issuance of common stock in connection with restricted stock units vesting	—	—	245,313	—	—	—	—
Shares withheld from common stock issued to pay employee payroll taxes	—	—	(83,376)	—	(666)	—	(666)
Stock-based compensation	—	—	—	—	10,661	—	10,661
Net loss	—	—	—	—	—	(5,945)	(5,945)
Balance at March 31, 2023	—	$ —	82,806,528	$ 7	$ 206,207	$ (103,518)	$ 102,696

See accompanying notes to Condensed Consolidated Financial Statements.

Expensify, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited, in thousands)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net loss	$ (3,781)	$ (5,945)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	1,423	1,413
Reduction of operating lease right-of-use assets	136	181
Loss on impairment, receivables and sale or disposal of equipment	337	146
Stock-based compensation expense	7,524	10,004
Amortization of original issue discount and debt issuance costs	11	11
Deferred tax assets	(9)	(30)
Changes in assets and liabilities:		
Accounts receivable, net	139	707
Settlement assets, net	(6,120)	(2,683)
Prepaid expenses	1,270	1,414
Other current assets	171	406
Other assets	(124)	8
Accounts payable	(260)	944
Accrued expenses and other liabilities	1,044	1,947
Operating lease liabilities	34	(206)
Settlement liabilities	1,570	(738)
Other liabilities	106	63
Net cash provided by operating activities	3,471	7,642
Cash flows from investing activities:		
Purchases of property and equipment	—	(28)
Software development costs	(2,829)	(870)
Net cash used in investing activities	(2,829)	(898)
Cash flows from financing activities:		
Principal payments of finance leases	(31)	(201)
Principal payments of outstanding debt	(37)	(150)
Payments for debt issuance costs	(8)	—
Repurchases of early exercised stock options	(32)	(7)
Proceeds from common stock purchased under Matching Plan	914	1,099
Proceeds from issuance of common stock on exercise of stock options	39	66
Payments for employee taxes withheld from stock-based awards	—	(666)
Net cash provided by financing activities	845	141
Net increase in cash and cash equivalents and restricted cash	1,487	6,885
Cash and cash equivalents and restricted cash, beginning of period	96,658	147,710
Cash and cash equivalents and restricted cash, end of period	$ 98,145	$ 154,595
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 454	$ 1,409
Cash paid for income taxes	$ 1,164	$ 351
Noncash investing and financing items:		
Stock-based compensation capitalized as software development costs	$ 915	$ 657
Purchases of property and equipment and capitalized software in accounts payable and accrued expenses	$ 223	$ —
Right-of-use assets acquired through operating leases	$ —	$ 145
Reconciliation of cash and cash equivalents and restricted cash to the Condensed Consolidated Balance Sheets		
Cash and cash equivalents	$ 49,340	$ 111,232
Restricted cash included in other current assets	24,267	19,013
Restricted cash included in settlement assets, net	24,538	24,350
Total cash, cash equivalents and restricted cash	$ 98,145	$ 154,595

See accompanying notes to Condensed Consolidated Financial Statements.

NOTE 1 – GENERAL INFORMATION

Description of the Business

Expensify, Inc. ("Expensify") was incorporated in Delaware on April 29, 2009. Expensify offers a comprehensive expense management platform that integrates with a variety of third-party accounting applications, including QuickBooks Desktop, QuickBooks Online, Xero, NetSuite, Intacct, Sage, Microsoft Dynamics, MYOB and others. Expensify's product simplifies the way that employees and vendors manage and submit expense receipts and bills and provides efficiencies to companies for the payment of those bills. Expensify delivers its services over the internet to corporations and individuals under license arrangements and offers unique pricing options for small and medium-sized businesses ("SMBs") and enterprises on a per-active-member basis.

Expensify also offers an Expensify charge card (the "Expensify Card"), which is primarily distributed to corporate customers in the United States ("U.S.") who subsequently distribute the card to their employees for business use. The Expensify Card allows customers to have real-time control over their employees' spending and compliance with spending limits in addition to eReceipt reporting on purchases.

As of March 31, 2024, the Expensify Card consisted of two card programs operating concurrently. Under the original Expensify Card program launched in 2020 (the “Legacy Card Program”), Expensify has an agreement with the payment processor, Marqeta, Inc. ("Marqeta"), and relies on Marqeta to manage the relationship with the issuing bank, Sutton Bank, and the card network, Visa, in authorizing and settling transactions. In October 2023, Expensify augmented the Expensify Card program by entering into an agreement with a new issuing bank, The Bancorp Bank, N.A. ("Bancorp"), to issue Expensify Cards to customers and authorize and settle transactions on the Visa card network (the “Updated Card Program”). The Updated Card Program launched during the three months ended March 31, 2024, and all new Expensify Cards issued subsequent to the launch operate under the Updated Card Program.

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Expensify, its wholly-owned subsidiaries, and Expensify.org (the "Company") and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and the applicable rules and regulations of the Securities and Exchange Commission ("SEC") for interim reporting in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP have been condensed or omitted pursuant to such SEC rules. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Annual Report").

All intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, the accompanying condensed consolidated financial statements reflect all normal and recurring adjustments that are necessary for the fair presentation of the Company's financial position, results of operations, equity, and cash flows for the periods presented.

Results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024 or for any other future annual or interim period.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are based on historical experience, forecasted events and various other assumptions that the Company believes to be reasonable under the circumstances. Estimates and judgments are evaluated on an ongoing basis. Actual results could differ from those estimates. Changes in estimates are recorded in the period in which they become known.

Estimates and assumptions by management affect the Company’s classification of employee and employee-related expenses, the useful lives and recoverability of long-lived assets and deferred contract acquisition costs, income taxes, capitalization of internal-use software costs, stock-based compensation and the Company's incremental borrowing rate utilized to measure its lease right-of-use ("ROU") assets and lease liabilities.

Updates to Significant Accounting Policies

The Company’s significant accounting policies are discussed in Note 2 of the 2023 Annual Report. Since the date the 2023 Annual Report was filed with the SEC, there have been no material changes to the Company's significant accounting policies, including the status of adoption of recent accounting pronouncements.

Recent Accounting Pronouncements

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements - Codification Amendments in Responses to the SEC's Disclosure Update and Simplification Initiative.* The amendments clarify or improve disclosure and presentation requirements on various disclosure areas, including the statement of cash flows, earnings per share, debt, and equity. The amendments will align the requirements in the FASB ASC with the SEC's regulations. The amendments in this ASU will be effective on the date the related disclosures are removed from Regulation S-X or Regulation S-K by the SEC, and will not be effective if the SEC has not removed the applicable disclosure requirement by June 30, 2027. Early adoption is prohibited. The Company is currently evaluating the impact of this update on its consolidated financial statement disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting - Improvements to Reportable Segment Disclosures*, which provides improvement primarily through enhanced disclosures about significant segment expenses. The ASU is effective for annual periods beginning after December 15, 2023 and quarterly periods beginning after December 15, 2024. The ASU allows for adoption on a retrospective basis for all prior periods presented in the financial statements. The Company is currently evaluating the effect of this update on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. The ASU is effective for annual periods beginning after December 15, 2024 and allows for adoption on a prospective basis, with a retrospective option. The Company is currently evaluating the effect of this update on its consolidated financial statements and related disclosures.

NOTE 2 - REVENUE AND CERTAIN STATEMENT OF OPERATIONS COMPONENTS

The table below provides the Company's total revenue by geographic region based on the currency of the subscription (in thousands). No other individual country outside of the United States accounted for more than 10% of total revenue.

	Three Months Ended March 31,	
	2024	2023
United States	$ 30,513	$ 36,635
All other locations	3,022	3,466
Total revenue	$ 33,535	$ 40,101

No individual customer represented more than 10% of the Company’s total revenue during the three months ended March 31, 2024 and 2023.

Cashback Rewards

The Company offers a cashback rewards program to all Expensify Card customers based on volume of Expensify Card transactions and Software as a Service ("SaaS") subscription tier. Cashback rewards are earned on a monthly basis and are applied against outstanding customer receivables or paid out the following month. The Company considers the cashback payments to customers as consideration payable to a customer and it is recorded as a reduction to Revenue within the Condensed Consolidated Statements of Operations. Cashback rewards for the three months ended March 31, 2024 and 2023 was $2.0 million and $1.2 million, respectively.

Interchange

The Company generates revenue from the authorization and settlement of Expensify Card transactions under the Updated Card Program. The Company is contractually entitled to all interchange generated on Expensify Card transactions based on its agreement with the issuing bank. Under the Updated Card Program, the Company is the principal in the transaction (i.e. the Company controls the services) and recognizes interchange as revenue on a gross basis within Revenue on the accompanying Condensed Consolidated Statements of Operations. For the three months ended March 31, 2024, the Company had an immaterial amount of interchange revenue.

Consideration From a Vendor, Net

The Company receives consideration from a vendor for monetizing Expensify Card activities under the Legacy Card Program. This consideration, net of credit card processing fees paid to the vendor, is included as a reduction to Cost of revenue, net within the Condensed Consolidated Statements of Operations. Consideration from a vendor, net for the three months ended March 31, 2024 and 2023 was $3.2 million and $2.1 million, respectively.

NOTE 3 - CERTAIN BALANCE SHEET COMPONENTS

Other Current Assets

Other current assets consisted of the following (in thousands):

	As of March 31, 2024	As of December 31, 2023
Expensify Card posted collateral for funds held for customers	$ 10,846	$ 16,561
Cash in transit for funds held for customers	7,364	5,107
Expensify.org restricted cash	5,911	5,881
Income tax receivable	2,750	2,993
Deferred contract acquisition costs	182	129
Expensify Payments LLC restricted cash	113	113
Matching Plan escrow and other restricted cash	33	80
Other	200	114
Other current assets	$ 27,399	$ 30,978

Capitalized Software, Net

Capitalized software, net consisted of the following (in thousands):

	As of March 31, 2024	As of December 31, 2023
Capitalized software development costs	$ 26,444	$ 22,683
Less: accumulated amortization	(11,337)	(10,189)
Capitalized software, net	$ 15,107	$ 12,494

Amortization expense related to capitalized software development costs is recorded in Cost of revenue, net on the Condensed Consolidated Statements of Operations. Amortization expense was $1.2 million and $0.7 million for the three months ended March 31, 2024 and 2023, respectively.

Expensify, Inc.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	As of March 31, 2024	As of December 31, 2023
Computers and equipment	$ 170	$ 170
Furniture and fixtures	1,930	1,930
Leasehold improvements	7,937	7,937
Commercial building	6,493	6,493
Land	4,151	4,151
Construction in progress	2,570	2,570
Total property and equipment	23,251	23,251
Less: accumulated depreciation	(9,113)	(8,879)
Property and equipment, net	$ 14,138	$ 14,372

Depreciation expense related to property and equipment is recorded in General and administrative, Sales and marketing, and Interest and other expenses, net on the Condensed Consolidated Statements of Operations. Depreciation expense related to property and equipment for the three months ended March 31, 2024 and 2023 was $0.2 million and $0.5 million, respectively.

Accrued Expenses and Other Liabilities

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

	As of March 31, 2024	As of December 31, 2023
Professional fees	$ 2,680	$ 1,311
Sales, payroll and other taxes payable	2,387	3,389
Cashback rewards	1,228	915
Partner payouts and advertising fees	1,210	1,486
Restricted common stock liability for early stock option exercises	400	562
Interest payable	354	359
Accrued expense reports	183	159
Commissions payable	153	140
Hosting and license fees	84	134
Credit card processing fees	40	76
Matching Plan payroll liability	174	198
Other	1,433	661
Accrued expenses and other liabilities	$ 10,326	$ 9,390

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Finance and Operating Lease Arrangements

The Company did not enter into any new lease agreements during the three months ended March 31, 2024. The components of lease cost reflected in the Condensed Consolidated Statements of Operations for all leases were as follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
Finance lease cost:		
Amortization of ROU assets	$ 34	$ 198
Interest on lease liabilities	7	3
Total finance lease cost	41	201
Operating lease cost	271	186
Total lease cost	$ 312	$ 387

Other information related to leases was as follows (in thousands, except as noted within):

	As of March 31,	As of December 31,
	2024	2023
Finance lease ROU asset (included within Lease right-of-use assets)	$ 330	$ 364
Operating lease ROU asset (included within Lease right-of-use assets)	$ 5,624	$ 6,071
Weighted average remaining lease term (in years):		
Finance leases	2.42	2.67
Operating leases	8.93	9.18
Weighted average discount rate:		
Finance leases	8.10 %	8.10 %
Operating leases	8.30 %	8.30 %

Supplemental cash flow information related to leases was as follows (in thousands):

	Three months ended March 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ (99)	$ (210)
Operating cash flows from finance leases	$ (7)	$ (3)
Financing cash flows from finance leases	$ (31)	$ (201)

Expensify, Inc.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

Maturities of lease liabilities as of March 31, 2024 were as follows (in thousands):

For the year ending:	Finance leases	Operating leases
Remainder of 2024	$ 115	$ 417
2025	153	1,079
2026	102	1,018
2027	—	1,033
2028	—	1,063
Thereafter	—	4,499
Total future lease payments	370	9,109
Less: imputed interest	(32)	(2,856)
Less: Lease liabilities, current	(132)	(304)
Lease liabilities, non-current	$ 206	$ 5,949

Amortizing Term Mortgage

In August 2019, the Company entered into an $8.3 million amortizing term mortgage agreement with Canadian Imperial Bank of Commerce ("CIBC") for the Company's commercial building located in Portland, Oregon. The agreement requires principal and interest payments to be made each month over a five-year period. Interest accrues at a fixed rate of 5.00% per year until August 2024, at which point the remaining outstanding principal balance on the amortizing term mortgage is due in full. The borrowings are secured by the building. The outstanding balance of the amortizing term mortgage was $7.6 million and $7.7 million as of March 31, 2024 and December 31, 2023, respectively.

Loan and Security Agreement

In September 2021, the Company amended and restated its loan and security agreement with CIBC ("2021 Amended Loan and Security Agreement") which consisted of a $45.0 million initial term loan, the option to enter into an additional $30.0 million delayed term loan that expired in March 2023, and a monthly revolving line of credit of $25.0 million. Under the 2021 Amended Loan and Security Agreement, the initial term loan of $45.0 million was payable over a 60-month period with principal and accrued interest payments due each quarter, commencing on September 30, 2021. The 2021 Amended Loan and Security Agreement amortized in equal quarterly installments of $0.1 million through September 30, 2024, $0.2 million beginning October 1, 2024 and $0.6 million beginning October 1, 2025, with any remaining principal balance due and payable on maturity in September 2026. The amounts borrowed accrued interest at the bank's reference rate plus 2.25% beginning on September 30, 2021 and continued on a quarterly basis through maturity of the term loan. The borrowings were secured by substantially all the Company's assets. The then outstanding balance of $36.0 million and $0.1 million of accrued interest on the term loan were repaid in full on October 12, 2023.

In February 2024, the Company entered into a Second Amended and Restated Loan and Security Agreement ("2024 Amended Loan and Security Agreement") with CIBC. The 2024 Amended Loan and Security Agreement amends and restates the 2021 Amended Loan and Security Agreement to extend the maturity date of the revolving line of credit from September 2024 to September 2025, remove certain provisions related to the term loan that was repaid in full in October 2023 and make certain changes to the positive and negative covenants intended to better align with the operations of the Company. The 2024 Amended Loan and Security Agreement continues to provide for a $25.0 million revolving credit facility. Borrowings under the line of credit accrue interest at CIBC's reference rate plus 1.00% (9.50% as of March 31, 2024) and are secured by substantially all of the Company's assets. As of March 31, 2024 and December 31, 2023, there were $15.0 million of borrowings under the line of credit and $10.0 million of capacity available for additional borrowings.

The Company incurred an immaterial amount of costs in connection with entering into the 2024 Amended Loan and Security Agreement. These debt issuance costs are reflected as a deferred asset within Other current assets on the Condensed Consolidated Balance Sheets and are being amortized to interest expense on a straight-line basis over the term of the agreement. As of March 31, 2024, the unamortized debt issuance costs included within Other current assets was $0.1 million.

Future aggregate annual principal payments on long-term debt as of March 31, 2024 is expected to be as follows (in thousands):

For the year ending:	
Remainder of 2024	$ 7,634
2025	—
2026	—
2027	—
2028	—
Thereafter	—
Total principal payments	7,634
Less: unamortized original issue discount and debt issuance costs	(10)
Less: Current portion of long-term debt, net of unamortized original issue discount and debt issuance costs	(7,624)
Long-term debt, net of unamortized original issue discount and debt issuance costs	$ —

Additionally, $15.0 million of outstanding borrowings under the line of credit are due in September 2025 upon maturity of the facility.

As of March 31, 2024, the Company was not in compliance with all debt covenants, specifically the covenant restricting the amount of repurchases of common stock. A waiver was obtained from CIBC for the Company's non-compliance with this covenant. The Company does not believe non-compliance with this covenant had any material impact on the Company or its operations.

In May 2024, the Company entered into a First Amendment to the 2024 Amended Loan and Security Agreement, which amended the covenant restricting the amount of repurchases of common stock to allow for certain additional repurchase activity and provided a waiver for the Company's non-compliance during prior periods with the previous version of such covenant.

Defined Contribution Plans

The Company sponsors a U.S. 401(k) defined contribution plan for all eligible employees who elect to participate. The Company is permitted to make discretionary profit sharing and 401(k) matching contributions as defined in the plan and as approved by the Board of Directors. Effective January 1, 2018, the Company matches up to 4.50% of each participant's eligible compensation. No discretionary profit-sharing contributions were made during the three months ended March 31, 2024 and 2023. The Company's 401(k) matching contributions for each of the three months ended March 31, 2024 and 2023 were $0.2 million and $0.3 million, respectively.

Legal

From time to time in the normal course of business, the Company may be involved in claims, proceedings and litigation. In the case of any litigation, the Company records a provision for a liability when management believes that it is both probable that a liability has been incurred, and the amount of the loss can be reasonably estimated. The Company reviews such provisions at least quarterly and adjusts such provisions to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case.

As of March 31, 2024, there were no legal contingency matters, either individually or in aggregate, that would have a material adverse effect on the Company's financial position, results of operations or cash flows.

NOTE 5 - STOCK INCENTIVE PLANS

2009 and 2019 Stock Plans

In 2009, the Board of Directors approved the 2009 Stock Plan ("2009 Stock Plan"). As amended in 2015, the 2009 Stock Plan permitted the Company to grant up to 16,495,150 shares of common stock. In January 2018, the Company increased the number of shares of common stock reserved under the 2009 Stock Plan by 535,130 shares to 17,030,280 shares. In April 2019, the Board of Directors approved the adoption of the 2019 Stock Plan ("2019 Stock Plan", and together with the 2009 Stock Plan, "Stock Plans"). The 2019 Stock Plan permitted the Company to grant up to 8,173,970 additional shares, increasing the overall common stock reserved for grant under the Stock Plans to 25,204,250 shares. In September 2021, the Board of Directors approved the grant of 8,679,380 restricted stock units under the 2019 Stock Plan, covering an aggregate of 4,339,690 shares of each of Class A and LT50 common stock effective immediately prior to the effectiveness of the Company's IPO Registration Statement on Form S-1 ("IPO Registration Statement") on November 9, 2021. On November 9, 2021, the Board of Directors amended and restated the 2019 Stock Plan to, among other things, increase the common stock reserved for issuance under the 2019 Stock Plan to an aggregate of 16,856,770 shares of Class A and LT50 common stock.

Following the completion of the initial public offering of the Company's Class A common stock ("IPO"), the Company did not and does not intend to make any further grants under the Stock Plans. However, the Stock Plans will continue to govern the terms and conditions of the outstanding awards granted under the Stock Plans. Upon the expiration, forfeiture, cancellation, withholding of shares upon exercise or settlement of an award to satisfy the exercise price or tax withholding, or repurchase of any shares of Class A common stock underlying outstanding stock-based awards granted under the 2009 Stock Plan or of Class A or LT50 common stock underlying outstanding stock-based awards granted under the 2019 Stock Plan, an equal number of shares of Class A common stock will become available for grant under the 2021 Incentive Award Plan ("2021 Plan") and the Company's 2021 Stock Purchase and Matching Plan ("Matching Plan" and together with the 2021 Plan, "2021 Incentive Plans").

2021 Incentive Plans

In November 2021, the Board of Directors adopted, and its stockholders approved, the 2021 Incentive Plans, which both became effective immediately before the effectiveness of the IPO Registration Statement and use a combined share reserve. Under the 2021 Incentive Plans, 11,676,932 shares of Class A common stock were initially reserved for issuance pursuant to a variety of stock-based awards, including incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units ("RSUs"), and other forms of equity and cash compensation under the 2021 Plan and purchase rights and matching awards under the Matching Plan. The number of shares initially reserved for issuance or transfer pursuant to awards under the 2021 Incentive Plans will be increased upon the expiration, forfeiture, cancellation, withholding of shares upon exercise or settlement of an award to satisfy the exercise price or tax withholding, or repurchase of any shares of Class A common stock underlying outstanding stock-based awards granted under the 2009 Stock Plan or of Class A or LT50 common stock underlying outstanding stock-based awards granted under the 2019 Stock Plan. The number of shares of Class A common stock reserved for issuance under the 2021 Incentive Plans as of March 31, 2024 and December 31, 2023 was 27,396,255 shares and 22,282,735 shares, respectively. The number of shares will automatically increase each subsequent January 1 through January 1, 2031, by the lesser of (A) 6% of the aggregate number of shares of all classes of common stock outstanding on the immediately preceding calendar year end, or (B) such lesser number of shares as determined by the Company’s Board of Directors or compensation committee; provided, however, that no more than 87,576,990 shares of Class A common stock may be issued upon the exercise of incentive stock options.

Matching Plan

The Matching Plan operates using consecutive three-month offering periods that commenced on March 15, 2022. Employees, consultants and directors (collectively, "Service Providers") of the Company can participate in the Matching Plan by electing to contribute compensation through payroll deductions or from fee payments or may be granted discretionary awards under the Matching Plan. On the last day of the offering period the contributions made during the offering period are used to purchase shares of Class A common stock.

The price at which Class A common stock is purchased under the Matching Plan equals the average of the high and low trading price of a share of Class A common stock as of the last trading day of the offering period. At the end of each offering period, the Company may provide a discretionary match up to 1/10 of a share of Class A common stock for each share of Class A common stock purchased by or issued to a Service Provider under the Matching Plan that is retained through the end of the applicable offering period. No fractional shares will be issued by the Company. The Company will round to the nearest full share for shares purchased by a Service Provider as well as any matched shares issued to a Service Provider under the Matching Plan. The match rate applicable to each offering period shall be limited to 1.50% of the shares of any class of capital stock outstanding as of the exercise date applicable to such offering period. The Company estimates the fair value of matched shares provided under the Matching Plan using the Black-Scholes option-pricing model on the date of grant. The Company recognizes stock-based compensation expense related to the matched shares pursuant to its Matching Plan on a straight-line basis over the applicable three-month offering period.

Service Providers who participated in the Matching Plan for the offering period ended March 14, 2024 purchased a total of 441,541 Class A common shares, based on a purchase price of $2.07, resulting in gross cash proceeds to the Company of $0.9 million.

Service Providers who participated in the Matching Plan for the offering period ended March 14, 2023 purchased a total of 147,319 Class A common shares, based on a purchase price of $7.46, resulting in gross cash proceeds to the Company of $1.1 million.

Expensify, Inc.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

For the offering period ended March 14, 2024, the Company elected to match each share of Class A common stock purchased or issued under the Matching Plan with 1/20 of a share of Class A common stock. During the three months ended March 31, 2024, the Company granted a total of 110,084 shares of Class A common stock as a matching contribution under the Matching Plan, with no shares withheld for taxes.

For the offering period ended March 14, 2023, the Company elected to match each share of Class A common stock purchased or issued under the Matching Plan with 1/20 of a share of Class A common stock. During the three months ended March 31, 2023, the Company granted a total of 16,098 shares of Class A common stock as a matching contribution under the Matching Plan, with no shares withheld for taxes.

The fair value of awards granted as a result of the Company matches within the Matching Plan was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three Months Ended March 31,	
	2024	2023
Fair value of common stock per share	$ 1.99	$ 7.55
Expected dividend yield (1)	— %	— %
Risk-free interest rate (2)	5.5 %	4.8 %
Expected volatility (3)	89.8 %	59.7 %
Expected life (in years) (4)	0.25	0.25

(1) The Company has no history or expectation of paying cash dividends on its common stock.
(2) The risk-free interest rate is based on the U.S. Treasury yield for a term consistent with the expected life of the awards in effect at the time of grant.
(3) The Company estimates volatility of its common stock at the date of the grant based on the expected weighted-average volatility of its Class A common stock.
(4) The expected life of awards granted as a Company match within the Matching Plan represents the duration of each offering period under the terms of the Matching Plan.

The Company has made discretionary contributions under the Matching Plan to eligible Service Providers. During the three months ended March 31, 2024, the Company granted a total of 478,519 shares of Class A common stock as discretionary contributions under the Matching Plan, with no shares withheld for taxes. There were no discretionary contributions under the Matching Plan during the three months ended March 31, 2023.

Restricted Stock Units

On September 24, 2021, under the 2019 Stock Plan, the Company approved the grant of Class A and LT50 common stock RSUs to Service Providers effective November 9, 2021, the date the Company amended its Certificate of Incorporation, to include, among other things, LT50 common stock. RSUs granted to Service Providers on November 9, 2021 that were approved in September 2021 vest upon the satisfaction of both a performance and service condition. The performance condition was satisfied immediately prior to the effectiveness of the IPO Registration Statement. The service condition is satisfied over eight years with 1/8 of the grant having vested on September 15, 2022 and quarterly vesting of 1/32 of the grant every December 15, March 15, June 15 and September 15 (each, a "Specified Quarterly Date") thereafter until fully vested, in each case subject to continued service to the Company. All RSUs granted to Service Providers after the IPO, under the 2021 Plan, have a service condition only, which is satisfied over eight years from the vesting commencement date corresponding to one of the Specified Quarterly Dates nearest the date of grant, with 1/8 of each grant vesting on the first anniversary of the vesting commencement date and 1/32 of each grant vesting in equal quarterly installments thereafter until fully vested, in each case, subject to continued service to the Company.

Pursuant to the Company's Non-Employee Director Compensation Program, which was adopted under the 2021 Incentive Plans, the Company granted no Class A common stock RSUs for the three months ended March 31, 2024. A total of 2,316 Class A common RSUs vested during the three months ended March 31, 2024 related to previously granted RSU awards as the quarterly service conditions were satisfied.

During the three months ended March 31, 2024, RSU activity for Service Providers and non-employee directors was as follows:

	Class A Common Stock	LT50 Common Stock	Weighted average grant date fair value per share
Outstanding at December 31, 2023	2,742,273	2,646,332	$ 32.59
RSUs vested	(106,769)	(103,108)	$ 32.45
RSUs cancelled/forfeited/expired	(266,231)	(266,231)	$ 37.62
Outstanding at March 31, 2024	2,369,273	2,276,993	$ 32.02

As of March 31, 2024, there was $127.1 million of unamortized stock-based compensation cost related to unvested RSUs, which is expected to be recognized over the remaining weighted average life of 5.14 years. As of December 31, 2023, there was $153.4 million of unamortized stock-based compensation cost related to unvested RSUs, which was expected to be recognized over the remaining weighted average life of 5.37 years.

Stock Options

The Stock Plans and the 2021 Plan provide for the grant of incentive and nonstatutory stock options to employees, non-employee directors and consultants of the Company. Under the Stock Plans and the 2021 Plan, the exercise price of incentive stock options must be equal to at least 110% of the fair market value of the common stock on the grant date for a “ten-percent holder” or 100% of the fair market value of the common stock on the grant date for any other participant. The exercise price of nonstatutory options granted must be equal to at least 100% of the fair market value of the Company’s common stock on the date of grant.

The Company has only granted options under the Stock Plans. Options typically vest over four years and are exercisable at any time after the grant date, provided that Service Providers exercising unvested options receive restricted common stock that is subject to repurchase at the original exercise price upon termination of service. The repurchase right lapses in accordance with the vesting schedule of the exercised option. Early exercises of options prior to vesting are not deemed to be substantive exercises for accounting purposes and accordingly, amounts received for early exercises of unvested options are recorded as a liability. These repurchase terms are considered to be a forfeiture provision and do not result in variable accounting. There was an immaterial amount of exercised restricted common stock repurchased during the three months ended March 31, 2024 and 2023.

As of March 31, 2024 and December 31, 2023, there were 288,740 and 393,251 shares subject to repurchase, respectively, related to unvested stock options that had been early exercised. As of March 31, 2024 and December 31, 2023, the Company recorded a liability related to shares subject to repurchase of $0.4 million and $0.6 million, respectively, which is included within Accrued expenses and other liabilities in the accompanying Condensed Consolidated Balance Sheets. These amounts are reclassified to Common stock and Additional paid-in capital as the underlying shares vest.

Expensify, Inc.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

A summary of the Company's stock option activity was as follows:

	Shares	Weighted average exercise price per share	Weighted average remaining contractual life (in years)
Outstanding at December 31, 2023	5,902,591	$ 1.68	4.03
Options exercised	(42,304)	$ 0.91	
Options cancelled/forfeited/expired	(102,781)	$ 2.87	
Outstanding at March 31, 2024	5,757,506	$ 1.66	3.63
Exercisable at March 31, 2024	5,706,466	$ 1.64	3.61

The total pretax intrinsic value of options outstanding at March 31, 2024 and December 31, 2023 was $5.4 million and $8.9 million, respectively. The total pretax intrinsic value of options exercisable at March 31, 2024 was $5.4 million. The intrinsic value is the difference between the estimated fair market value of the Company's common stock at the date of exercise and the exercise price for in-the-money options.

As of March 31, 2024, there was $3.1 million of unrecognized stock-based compensation cost related to unvested stock options, which is expected to be recognized over a weighted average period of 0.63 years. As of December 31, 2023, there was $4.1 million of unrecognized stock-based compensation cost related to unvested stock options, which was expected to be recognized over a weighted average period of 0.75 years.

Cash received from option exercises and purchases of shares under the Stock Plans for the three months ended March 31, 2024 and 2023 was immaterial and $0.1 million, respectively.

Stock-Based Compensation

The following table summarizes the stock-based compensation recognized for options granted under the 2009 Stock Plan, options and RSUs granted under the 2019 Stock Plan, RSUs granted under the 2021 Plan and matching and discretionary shares issued under the Matching Plan (in thousands):

	Three Months Ended March 31,	
	2024	2023
Matching Plan shares	$ 1,430	$ 249
Restricted stock units	6,260	9,512
Stock options	749	900
Total stock-based compensation	$ 8,439	$ 10,661
Less: stock-based compensation capitalized as software development costs	$ (915)	$ (657)
Total stock-based compensation expense	$ 7,524	$ 10,004

Stock-based compensation expense is allocated based on the cost center to which the award holder spent time during the reported periods. Stock-based compensation expense is included in the following components of expenses on the accompanying Condensed Consolidated Statements of Operations (in thousands):

	Three Months Ended March 31,	
	2024	2023
Cost of revenue, net	$ 2,932	$ 3,306
Research and development	2,749	2,206
General and administrative	1,703	2,644
Sales and marketing	140	1,848
Total stock-based compensation expense	$ 7,524	$ 10,004

NOTE 6 - INCOME TAXES

For the three months ended March 31, 2024, the Company prepared its interim tax provision by applying a year-to-date effective tax rate, which the Company believes results in the best estimate of the annual effective tax rate.

For the three months ended March 31, 2024 and 2023, the Company recorded a provision for income taxes of $1.0 million and $1.8 million, respectively, which resulted in effective tax rates of (37.6)% and (44.3)%, respectively.

The difference between the statutory rate and the effective rate for 2024 was primarily due to non-deductible stock-based compensation, Section 162(m) of the Internal Revenue Code ("IRC") compensation limitations, and the change in valuation allowance. The difference between the statutory rate and the effective rate for 2023 was primarily due to non-deductible stock-based compensation, as well as the change in valuation allowance.

The Company follows the provisions of ASC 740-10, *Accounting for Uncertainty in Income Taxes*. ASC 740-10 prescribes a comprehensive model for the recognition, measurement, presentation and disclosure in financial statements of uncertain tax positions that have been taken or expected to be taken on a tax return. As of March 31, 2024 and December 31, 2023, the Company recorded an uncertain tax position liability of $1.7 million and $1.5 million, respectively, within Other liabilities on the Condensed Consolidated Balance Sheets. This liability includes $0.2 million and an immaterial amount of interest and penalties as of March 31, 2024 and December 31, 2023, respectively.

NOTE 7 - NET LOSS PER SHARE

The following table sets forth the computation of basic and diluted net loss per share (in thousands, except share and per share data):

	Three Months Ended March 31,	
	2024	2023
Numerator		
Net loss, basic and diluted	$ (3,781)	$ (5,945)
Denominator		
Weighted average shares of common stock used to compute net loss per share, basic and diluted	85,141,411	81,768,429
Net loss per share, basic and diluted	$ (0.04)	$ (0.07)

The rights, including the liquidation and dividend rights, of the holders of Class A, LT10 and LT50 common stock are identical, except with respect to voting, conversion and transfer rights. Each share of Class A common stock is entitled to one vote per share, each share of LT10 common stock is entitled to ten votes per share and each share of LT50 common stock is entitled to 50 votes per share. Each share of LT10 and LT50 common stock is convertible into one share of Class A common stock voluntarily at the option of the holder after the satisfaction of certain requirements, which includes a ten-month notice period for LT10 common stock and a 50-month notice period for LT50 common stock to convert to Class A common stock, or automatically upon certain events. The Class A common stock has no conversion rights. As the liquidation and dividend rights are identical for Class A, LT10 and LT50 common stock, the undistributed earnings are allocated on a proportional basis based on the number of weighted average shares within each class of common stock during the period and the resulting net loss per share attributable to common stockholders will be the same for the Class A, LT10 and LT50 common stock on an individual or combined basis.

The following potentially dilutive shares were not included in the calculation of diluted shares outstanding as the effect would have been anti-dilutive:

	Three Months Ended March 31,	
	2024	2023
Weighted-average stock options	1,490,098	4,329,958
Matching shares	—	7,678
Total	1,490,098	4,337,636

NOTE 8 - EQUITY

On May 10, 2022, the Executive Committee of the Board of Directors approved a share repurchase program with authorization to purchase up to $50.0 million of shares of Class A common stock ("2022 Share Repurchase Program"). The Company may repurchase shares from time to time through open market purchases, in privately negotiated transactions or by other means, including the use of trading plans intended to qualify under Rule 10b5-1 of the Securities Exchange Act of 1934, in accordance with applicable securities laws and other restrictions. The actual timing, manner, price and total amount of future repurchases will depend on a variety of factors, including business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices, restrictions under the terms of loan agreements and other considerations. The 2022 Share Repurchase Program does not obligate the Company to acquire any particular amount of Class A common stock, and the program may be suspended or terminated at any time by the Company at its discretion without prior notice.

During the three months ended March 31, 2024, the Company did not repurchase any shares of Class A common stock under the 2022 Share Repurchase Program.

NOTE 9 - RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2024 and 2023, Expensify, Inc. made no contributions and contributed $0.1 million, respectively, to Expensify.org, a nonprofit benefit organization established by the Company. There were no commitments from Expensify, Inc. that remained open for contribution as of March 31, 2024 and December 31, 2023.

There are no other significant related party transactions for the Company as of March 31, 2024, except as noted elsewhere in these condensed consolidated financial statements.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Annual Report"). This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under Part I, Item 1A. "Risk Factors" in our 2023 Annual Report and included elsewhere in this Quarterly Report on Form 10-Q. See "Special Note Regarding Forward-Looking Statements."

OVERVIEW

Expensify is a cloud-based expense management software platform that helps the smallest to the largest businesses simplify the way they manage money. Every day, people from all walks of life in organizations around the world use Expensify to scan and reimburse receipts from flights, hotels, coffee shops, office supplies and ride shares. Since our founding in 2008, we have added over 13 million members to our community and processed and automated 1.6 billion expense transactions on our platform as of March 31, 2024, freeing people to spend less time managing expenses and more time doing the things they love. For the quarter ended March 31, 2024, an average of 687,931 paid members across an average of 44,200 companies and over 200 countries and territories used Expensify to make money easy.

RECENT DEVELOPMENTS

Since 2020, when we launched the Expensify Card, it has operated under one card program (the “Legacy Card Program”). During the three months ended March 31, 2024, we launched a new card program (the "Updated Card Program"). The Legacy Card Program operates under an agreement with the payment processor, Marqeta, Inc. ("Marqeta"), and relies on Marqeta to manage the relationship with the issuing bank, Sutton Bank, and the card network, Visa, in authorizing and settling transactions. The Updated Card Program operates under an agreement with a new issuing bank, The Bancorp Bank, N.A. ("Bancorp"), to issue Expensify Cards to customers and authorize and settle transactions on the Visa card network.

All new Expensify Cards issued subsequent to the launch of the Updated Card Program will operate under such program. Our transition of cardholders from the Legacy Card Program to the Updated Card Program has commenced, and we currently expect full completion of this transition by December 31, 2024.

Components of Results of Operations

Revenue

We generate revenue from subscription fees based on the usage of our cloud-based expense management software platform under arrangements paid monthly in arrears that are either (i) month-to-month and can be terminated by either party without penalty at any time or (ii) annual arrangements based on a minimum number of monthly members. Annual subscription customers who wish to terminate their contracts before the end of the term are required to pay the remaining obligation in full plus any fees or penalties set forth in the agreement. We charge our customers subscription fees for access to our platform based on the number of monthly active members and level of service. The contractual price is based on either negotiated fees or rates published on our website. We generate most of our revenue from customers who have a credit card or debit card on file with us that is automatically charged each month. Virtually all of our customers have a standard terms of service contract, with the few exceptions for customers on bespoke service contracts.

Our contracts with our customers include two performance obligations: access to the hosted software service, inclusive of all features available within the platform, and the related customer support. We account for the platform access and the support as a combined performance obligation because they have the same pattern of transfer over the same period and are therefore delivered concurrently. We satisfy our performance obligation over time each month as we provide platform access and support services to customers and as such recognize revenue over time. We recognize revenue net of applicable taxes imposed on the related transaction.

We offer a cashback rewards program to all customers based on volume of Expensify Card transactions and software as a service ("SaaS") subscription tier. Cashback rewards are earned on a monthly basis and are applied against outstanding customer receivables or are paid out the following month. We consider our cashback rewards as consideration payable to a customer, and they are recorded as contra revenue within Revenue on the Condensed Consolidated Statements of Operations. Cashback rewards applied against outstanding customer receivables are reflected as reductions to Accounts receivable, net on the Condensed Consolidated Balance Sheets. Cashback rewards liability is recorded within Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets. The cashback rewards fluctuate over time as customers meet eligibility requirements in conjunction with the applicable SaaS subscription tier of each customer and the timing of payments made to customers.

As of March 31, 2024, the Expensify Card consisted of two card programs operating concurrently: the Legacy Card Program and the Updated Card Program. All new Expensify Card issuances subsequent to the launch of the Updated Card Program operate under that program.

Under the Updated Card Program, we generate revenue from the authorization and settlement of Expensify Card transactions and are contractually entitled to all interchange generated on Expensify Card transactions based on our agreement with the issuing bank. Under the Updated Card Program, we are the principal in the transaction (i.e. we control the services) and recognize interchange as revenue on a gross basis within Revenue on the accompanying Condensed Consolidated Statements of Operations. For the three months ended March 31, 2024, we had an immaterial amount of interchange revenue.

Cost of Revenue, Net

Cost of revenue, net primarily consists of expenses related to hosting our service, including the costs of data center capacity, credit card processing fees, third-party software license fees, outsourcing costs to support customer service and outsourcing costs to support our patented scanning technology SmartScan, net of consideration from a vendor. Additional costs include amortization of finance right-of-use assets, amortization expense on capitalized software development costs and personnel-related expenses, including stock-based compensation and employee costs attributable to supporting our customers and maintenance of our platform.

Consideration from a vendor is related to the Expensify Card under the Legacy Card Program, where we use a third-party vendor to issue Expensify Cards and process the related transactions. The vendor is contractually entitled to the interchange through its relationships with the card network and card issuing bank. The vendor keeps a portion of the interchange for their services, and our agreement with the vendor results in us receiving the remainder of the interchange (our remainder portion, "Expensify interchange amount"). The vendor also charges us fees ("vendor fees") for the services it provides to us. Due to the nature of the vendor agreement, we do not record the Expensify interchange amount as revenue under the Legacy Card Program. Instead, the net of the Expensify interchange amount and vendor fees are paid to us, which we record as "Consideration from a vendor, net," a contra expense in Cost of revenue, net on the Condensed Consolidated Statements of Operations.

The following summarizes these various amounts for each of the periods presented:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Expensify interchange amount	$ 3,514	$ 2,261
Vendor fees	(327)	(189)
Consideration from a vendor, net	$ 3,187	$ 2,072

OPERATING EXPENSES

Research and Development

Research and development expenses consist primarily of personnel-related expenses, including stock-based compensation, and external contributor costs incurred related to the planning and preliminary project stage and post-implementation stage of new products or enhancing existing products or services. We capitalize certain software development costs that are attributable to developing or adding significant functionality to our internal-use software during the application development stage of the projects. All research and development expenses, excluding capitalized software development costs, are expensed as incurred.

We believe delivering new functionality is critical to attract new customers and expand our relationships with existing customers. We expect to continue to make investments in and expand our product and service offerings to enhance our customers' experience and satisfaction and to attract new customers.

General and Administrative

General and administrative expenses primarily consist of personnel-related expenses, including stock-based compensation, for any employee time allocated to administrative functions, including finance and accounting, legal and human resources. In addition to personnel-related expenses, general and administrative expenses consist of rent, utilities, depreciation on property and equipment, amortization of operating right-of-use assets, information technology and external professional services, including finance and accounting, audit, tax, legal and compliance, and human resources.

Sales and Marketing

Sales and marketing expenses primarily consist of personnel-related expenses, including stock-based compensation, advertising expenses, depreciation on property and equipment, outsourcing costs for sales and product demos, branding and public relations expenses and referral fees for strategic partners and other benefits that we provide to our referral and affiliate partners.

Interest and Other Expenses, Net

Interest and other expenses, net, consist primarily of interest paid under our credit facilities with Canadian Imperial Bank of Commerce ("CIBC"). It also includes the results of operations of our Fifth & Harvey, LLC subsidiary, which holds title to and manages operations of the operating lease for lots in Portland, Oregon that are currently used to host multiple portable food vendors open to the general public, as well as realized gains and losses on foreign currency transactions and foreign currency remeasurement.

Provision for Income Taxes

Income taxes primarily consist of income taxes in the United States, United Kingdom, Australia, Netherlands and Canada, as well as states in the United States in which we do business.

Results of Operations

The results of operations presented below should be reviewed in conjunction with the condensed consolidated financial statements and notes included elsewhere in this Quarterly Report on Form 10-Q.

The following table sets forth our results of operations for each of the periods presented:

	Three Months Ended March 31,	
	2024	2023
	(in thousands, except percentages, share and per share data)	
Revenue	$ 33,535	$ 40,101
Cost of revenue, net[(1)]	14,584	15,775
Gross margin	18,951	24,326
Operating expenses:		
Research and development[(1)]	5,929	5,418
General and administrative[(1)]	11,431	12,429
Sales and marketing[(1)]	3,384	9,183
Total operating expenses	20,744	27,030
Loss from operations	(1,793)	(2,704)
Interest and other expenses, net	(954)	(1,416)
Loss before income taxes	(2,747)	(4,120)
Provision for income taxes	(1,034)	(1,825)
Net loss	$ (3,781)	$ (5,945)
Net loss per share:		
Basic and diluted	$ (0.04)	$ (0.07)
Weighted average shares of common stock used to compute net loss per share:		
Basic and diluted	85,141,411	81,768,429
Net loss margin	(11)%	(15)%

(1) Includes stock-based compensation expense as follows:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Cost of revenue, net	$ 2,932	$ 3,306
Research and development	2,749	2,206
General and administrative	1,703	2,644
Sales and marketing	140	1,848
Stock-based compensation expense	$ 7,524	$ 10,004

COMPARISON OF THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

Revenue

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
	(in thousands, except percentages)			
Revenue	$ 33,535	$ 40,101	$ (6,566)	(16)%

Revenue decreased by $6.6 million, or 16%, for the three months ended March 31, 2024 compared to the same period in 2023, primarily due to (i) a decrease in billable activity across our user base, including a decrease in pay-per-use billable activity which has a higher average fee per member than our annual members, and (ii) an increase in contra revenue related to cashback payments driven by the increased adoption and spend captured from members using the Expensify Card.

Cost of Revenue, Net and Gross Margin

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
	(in thousands, except percentages)			
Cost of revenue, net	$ 14,584	$ 15,775	$ (1,191)	(8)%
Gross margin	$ 18,951	$ 24,326	$ (5,375)	(22)%
Gross margin %	57 %	61 %		

Cost of revenue, net decreased by $1.2 million, or 8%, for the three months ended March 31, 2024 compared to the same period in 2023. Cost of revenue, net decreased primarily due to an increase in Consideration from a vendor, net, driven primarily by a higher number of members using the Expensify Card under the Legacy Card Program and the increased spend captured from such members, which reduced Cost of revenue, net by $3.2 million and $2.1 million for the three months ended March 31, 2024 and 2023, respectively.

Gross margin decreased to 57% for the three months ended March 31, 2024 compared to 61% in the same period in 2023 due to the factors described in the preceding paragraphs for Revenue and Cost of revenue, net.

OPERATING EXPENSES

Research and Development

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
	(in thousands, except percentages)			
Research and development	$ 5,929	$ 5,418	$ 511	9 %

Research and development expenses increased by $0.5 million, or 9%, for the three months ended March 31, 2024 compared to the same period in 2023, primarily due to an increase in employee time spent on project initiatives and new product features.

General and Administrative

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
	(in thousands, except percentages)			
General and administrative	$ 11,431	$ 12,429	$ (998)	(8)%

General and administrative expenses decreased by $1.0 million, or 8%, for the three months ended March 31, 2024 compared to the same period in 2023, primarily due to a decrease in employee time allocated to administrative functions related to maintenance activities in regards to compliance with Section 404 of the Sarbanes-Oxley Act and other public company requirements.

Sales and Marketing

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
	(in thousands, except percentages)			
Sales and marketing	$ 3,384	$ 9,183	$ (5,799)	(63)%

Sales and marketing expenses decreased by $5.8 million, or 63%, for the three months ended March 31, 2024 compared to the same period in 2023, primarily due to a decrease in employee time allocated to sales and marketing activities, including conferences and events, and a decrease in outsourcing activities related to sales and product demos.

Interest and Other Expenses, Net

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
	(in thousands, except percentages)			
Interest and other expenses, net	$ (954)	$ (1,416)	$ 462	(33)%

Interest and other expenses, net decreased by $0.5 million, or 33%, for the three months ended March 31, 2024 compared to the same period in 2023, primarily due to a decrease in interest expense incurred due to the repayment of the term loan component of the 2021 Amended Loan and Security Agreement (as defined below) on October 12, 2023.

Provision for Income Taxes

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
	(in thousands, except percentages)			
Provision for income taxes	$ (1,034)	$ (1,825)	$ 791	(43)%

We recorded a provision for income taxes of $1.0 million during the three months ended March 31, 2024 compared to a provision for income taxes of $1.8 million for the same period in 2023.

During the three months ended March 31, 2024 and 2023, our effective income tax rate was (37.6)% and (44.3)%, respectively. The effective income tax rate differs from the statutory rate in 2024 primarily due to non-deductible stock-based compensation, Section 162(m) of the Internal Revenue Code ("IRC") compensation limitations, and the change in valuation allowance. The effective income tax rate differs from the statutory rate in 2023 primarily due to non-deductible stock-based compensation as well as the change in valuation allowance.

Key Business Metrics and Non-GAAP Financial Measures

We supplement the reporting of our financial information determined under U.S. generally accepted accounting principles ("GAAP") with certain business metrics and non-GAAP financial measures which we regularly review to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Accordingly, we believe that these key business metrics and non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management team. These key business metrics and non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for our financial information presented in accordance with GAAP and may be different from similarly titled metrics or measures presented by other companies.

KEY BUSINESS METRICS

Paid Members

We believe that our ability to increase the number of paid members on our platform will drive our success as a business. Our customers pay for subscriptions on behalf of employees and contractors who use the platform, whom we refer to as paid members. We define paid members as the average number of users (employees, contractors, volunteers, team members, etc.) who are billed on *Collect* or *Control* plans during any particular quarter. For small and medium businesses ("SMBs") or sole proprietors with only one employee, the business owner may also be the only paid member.

The following table sets forth the average number of paid members for each of the periods presented (in thousands):

Three Months Ended	Paid members
March 31, 2024	688
March 31, 2023	747

NON-GAAP FINANCIAL MEASURES

Limitations of Non-GAAP Financial Measures

Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as substitutes for financial information presented under GAAP. There are a number of limitations related to the use of non-GAAP financial measures versus comparable financial measures determined under GAAP. For example, other companies in our industry may calculate these non-GAAP financial measures differently or may use other measures to evaluate their performance. All of these limitations could reduce the usefulness of these non-GAAP financial measures as analytical tools. Investors are encouraged to review the related GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures and to not rely on any single financial measure to evaluate our business.

Adjusted EBITDA and Adjusted EBITDA Margin

We define adjusted EBITDA as net loss from operations excluding provision for income taxes, interest and other expenses, net, depreciation and amortization and stock-based compensation. We define adjusted EBITDA margin as adjusted EBITDA divided by total revenue for the same period. We are focused on profitable growth and we consider adjusted EBITDA to be an important measure because it helps illustrate underlying trends in our business that could otherwise be masked by the effect of the income or expenses that are not indicative of the core operating performance of our business.

	Three Months Ended March 31,	
	2024	2023
	(in thousands, except percentages)	
Adjusted EBITDA	$ 7,114	$ 8,713
Adjusted EBITDA margin	21 %	22 %

Non-GAAP Net Income and Non-GAAP Net Income Margin

We define non-GAAP net income as net loss from operations in accordance with GAAP excluding stock-based compensation. We define non-GAAP net income margin as non-GAAP net income divided by total revenue for the same period. We are focused on profitable growth and we consider non-GAAP net income to be an important measure because it helps illustrate underlying trends in our business that could otherwise be masked by the effect of stock-based compensation expense, which is not considered indicative of the core operating performance of our business.

	Three Months Ended March 31,	
	2024	2023
	(in thousands, except percentages)	
Non-GAAP net income	$ 3,743	$ 4,059
Non-GAAP net income margin	11 %	10 %

Reconciliations of Non-GAAP Financial Measures

The following tables reconcile the most directly comparable GAAP financial measure to each of these non-GAAP financial measures.

Adjusted EBITDA and Adjusted EBITDA Margin

	Three Months Ended March 31,	
	2024	2023
	(in thousands, except percentages)	
Net loss	$ (3,781)	$ (5,945)
Net loss margin	(11)%	(15)%
Add:		
Provision for income taxes	1,034	1,825
Interest and other expenses, net	954	1,416
Depreciation and amortization	1,383	1,413
Stock-based compensation expense	7,524	10,004
Adjusted EBITDA	$ 7,114	$ 8,713
Adjusted EBITDA margin	21 %	22 %

Non-GAAP Net Income and Non-GAAP Net Income Margin

	Three Months Ended March 31,	
	2024	2023
	(in thousands, except percentages)	
Net loss	$ (3,781)	$ (5,945)
Net loss margin	(11)%	(15)%
Add:		
Stock-based compensation expense	7,524	10,004
Non-GAAP net income	$ 3,743	$ 4,059
Non-GAAP net income margin	11 %	10 %

Liquidity and Capital Resources

Since our inception, we have financed our operations primarily through our cash flow from operations, sales of our equity securities and borrowings under our credit facilities. In November 2021, upon completion of our IPO, we received aggregate net proceeds of approximately $57.5 million after deducting underwriting discounts and commissions of approximately $4.9 million and offering costs of approximately $8.0 million. As of March 31, 2024, we had $49.3 million in cash and cash equivalents and $22.6 million in outstanding indebtedness.

Our future capital requirements will depend on many factors, including revenue growth and costs incurred to support growth in our business and our need to respond to business opportunities, challenges or unforeseen circumstances. We believe that our existing cash resources will be sufficient to finance our continued operations and growth strategy for the next 12 months and for the foreseeable future.

CASH FLOWS

The following table summarizes our cash flows for the periods indicated:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(in thousands)	
Net cash provided by operating activities	$ 3,471	$ 7,642
Net cash used in investing activities	(2,829)	(898)
Net cash provided by financing activities	845	141
Net increase in cash and cash equivalents and restricted cash	$ 1,487	$ 6,885

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash provided by operating activities was $3.5 million for the three months ended March 31, 2024 compared to $7.6 million for the same period in 2023. The decrease was primarily due to a reduction in funds held for customers due to the timing of expense reimbursement activity and a decrease in revenue.

CASH FLOWS FROM INVESTING ACTIVITIES

During the three months ended March 31, 2024, net cash used in investing activities was $2.8 million, primarily consisting of software development costs.

Net cash used in investing activities increased for the three months ended March 31, 2024 compared to the same period in 2023, primarily due to an increase in employee and external software development costs.

CASH FLOWS FROM FINANCING ACTIVITIES

During the three months ended March 31, 2024, net cash provided by financing activities was $0.8 million, primarily consisting of proceeds from common stock purchased under the Company's 2021 Stock Purchase and Matching Plan ("Matching Plan").

During the three months ended March 31, 2023 net cash provided by financing activities was $0.1 million, primarily consisting of proceeds from common stock purchased under the Matching Plan, offset by payments for employee taxes withheld from stock-based awards.

CREDIT FACILITIES

Amortizing Term Mortgage

In August 2019, the Company entered into an $8.3 million amortizing term mortgage agreement with Canadian Imperial Bank of Commerce ("CIBC") for the Company's commercial building located in Portland, Oregon. The agreement requires principal and interest payments due each month over a five-year period. Interest accrues at a fixed rate of 5.00% per year until August 2024, at which point the remaining outstanding principal balance on the amortizing term mortgage is due in full. The borrowings are secured by the building. The outstanding balance of the amortizing term mortgage was $7.6 million as of March 31, 2024. See Note 4 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further information.

Loan and Security Agreement

In September 2021, we amended and restated our loan and security agreement with CIBC (the "2021 Amended Loan and Security Agreement"), which consisted of a $45.0 million initial term loan, the option to enter into an additional $30.0 million delayed term loan that expired in March 2023, and a monthly revolving line of credit of $25.0 million. Under the 2021 Amended Loan and Security Agreement, the initial term loan of $45.0 million was payable over a 60-month period with principal and accrued interest payments due each quarter, commencing on September 30, 2021. The 2021 Amended Loan and Security Agreement amortized in equal quarterly installments of $0.1 million through September 30, 2024, $0.2 million beginning October 1, 2024 and $0.6 million beginning October 1, 2025, with any remaining principal balance due and payable on maturity in September 2026. The amounts borrowed accrued interest at the bank's reference rate plus 2.25% beginning on September 30, 2021 and continuing on a quarterly basis through maturity of the term loan. The borrowings were secured by substantially all our assets. The then outstanding balance of $36.0 million and $0.1 million of accrued interest on the term loan were repaid in full on October 12, 2023.

In February 2024, we entered into a Second Amended and Restated Loan and Security Agreement (the "2024 Amended Loan and Security Agreement") with CIBC. The 2024 Amended Loan and Security Agreement amends and restates the 2021 Amended Loan and Security Agreement to extend the maturity date of the revolving line of credit from September 2024 to September 2025, remove certain provisions related to the term loan that was repaid in full in October 2023 and make certain changes to the positive and negative covenants intended to better align with our operations. The 2024 Amended Loan and Security Agreement continues to provide for a $25.0 million revolving credit facility. Borrowings under the line of credit accrue interest at CIBC's reference rate plus 1.00% (9.50% as of March 31, 2024) and are secured by substantially all of our assets.

We incurred an immaterial amount of costs in connection with entering into the 2024 Amended Loan and Security Agreement. These debt issuance costs are reflected as a deferred asset within Other current assets on the Condensed Consolidated Balance Sheets and are being amortized to interest expense on a straight-line basis over the term of the agreement. As of March 31, 2024, the unamortized debt issuance costs included within Other current assets was $0.1 million.

The outstanding balance of the revolving line of credit was $15.0 million as of March 31, 2024. See Note 4 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further information.

Certain Covenants

We are subject to customary covenants under the 2024 Amended Loan and Security Agreement which, unless waived by CIBC, restrict our and our subsidiaries' ability to, among other things, incur additional indebtedness, create or incur liens, permit a change of control, merge or consolidate with other companies, sell or transfer assets, pay dividends or make distributions, make acquisitions, investments or loans, or payments and prepayments of subordinated indebtedness, subject to certain exceptions. We must also maintain certain financial covenants: a total liquidity ratio, as defined in the 2024 Amended Loan and Security Agreement, tested each quarter, of not less than 1.10 to 1.00 for the quarter ending March 31, 2024, not less than 1.20 to 1.00 from the quarter ending June 30, 2024 and each quarter thereafter, and a total EBITDA net leverage ratio, as defined in the 2024 Amended Loan and Security Agreement, tested each quarter, of not less than 2.50 to 1.00 from the quarter ended March 31, 2025 and each quarter thereafter.

If we fail to perform our obligations under these and other covenants, CIBC's credit commitments could be terminated and any outstanding borrowings, together with accrued interest, under the credit or loan agreements could be declared immediately due and payable.

As of March 31, 2024, we were not in compliance with all debt covenants, specifically the covenant restricting the amount of repurchases of common stock. A waiver was obtained from CIBC for our non-compliance with this covenant. We do not believe non-compliance with this covenant had any material impact on us or our operations. We expect to be in compliance with all debt covenants pursuant to the 2024 Amended Loan and Security Agreement, or to have received a waiver for any non-compliance, by the end of the fiscal quarter ended June 30, 2024.

In May 2024, we entered into a First Amendment to the 2024 Amended Loan and Security Agreement, which amended the covenant restricting the amount of repurchases of common stock to allow for certain additional repurchase activity and provided a waiver for our non-compliance during prior periods with the previous version of such covenant.

Contractual Obligations and Commitments

As of March 31, 2024, there have been no material changes in our contractual obligations and commitments as disclosed in our 2023 Annual Report.

Indemnification Agreements

In the ordinary course of business, we enter into agreements of varying scope and terms whereby we agree to indemnify customers, issuing banks, card networks, vendors and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by us or from intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with our directors and certain officers and employees that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon us to provide indemnification under such agreements and there are no claims that we are aware of that could have a material effect on our Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Changes in Stockholders' Equity, or Condensed Consolidated Statements of Cash Flows.

Off-Balance Sheet Arrangements

During the periods presented, we did not have, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements included elsewhere herein have been prepared in accordance with GAAP. The preparation of our condensed consolidated financial statements requires us to make estimates and judgments that affect our reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting policies and estimates as compared to those described in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2023 Annual Report.

Recent Accounting Pronouncements

See Note 1 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for recently issued accounting pronouncements not yet adopted as of the date of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risk from the disclosure included under Part II, Item 7A. “Quantitative and Qualitative Disclosures About Market Risk” in our 2023 Annual Report.

Item 4. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")), as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures, and is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's (the "SEC") rules and forms. Based on such evaluation, our chief executive officer and chief financial officer have concluded that as of March 31, 2024, our disclosure controls and procedures were effective at a reasonable assurance level.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

LIMITATIONS OF EFFECTIVENESS OF CONTROLS AND PROCEDURES

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Part II - Other Information

Item 1. Legal Proceedings

On November 29, 2023, a putative securities class action (the “Putative Class Action”) was filed in the United States District Court for the District of Oregon captioned Wilhite v. Expensify, Inc., et al., Case No. 3:23-cv-01784-JR, naming us, two of our executive officers and two of our former directors as defendants (collectively, the "Defendants"). The lawsuit is purportedly brought on behalf of all those who purchase or acquired our stock pursuant or traceable to our initial public offering (“IPO”). The complaint alleges claims under Sections 11 and 15 of the Securities Act of 1933 based on allegedly false or misleading statements in the offering documents filed in connection with our IPO. The lawsuit seeks unspecified damages and other relief. On January 29, 2024, three shareholders moved to be appointed lead plaintiff in the Putative Class Action. The court appointed a lead plaintiff and lead counsel on March 11, 2024. Pursuant to the parties' stipulation, the lead plaintiff's amended complaint is due May 10, 2024. Defendants' motion to dismiss the amended complaint is due July 9, 2024. The lead plaintiff's opposition is due September 6, 2024, and Defendants' reply is due October 18, 2024. The court has not yet scheduled a hearing on Defendants' anticipated motion to dismiss. The Defendants intend to deny the allegations of wrongdoing and vigorously defend against the claims in the Putative Class Action.

In addition to the matter described above, from time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition. We have received, and may in the future continue to receive, claims from third parties asserting, among other things, infringement of their intellectual property rights. Defending such proceedings is costly and can impose a significant burden on management and employees. We may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth in Part I, Item IA. "Risk Factors" of our 2023 Annual Report. You should carefully read and consider the risks and uncertainties, together with all of the other information included in the 2023 Annual Report and this Quarterly Report on Form 10-Q, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our condensed consolidated financial statements and related notes, and other documents that we file with the SEC.

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

ISSUER PURCHASES OF EQUITY SECURITIES

The following table sets forth information regarding our purchases of shares of Class A common stock during the three months ended March 31, 2024.

	Total number of shares purchased	Weighted-average price paid per share	Total number of shares purchased as part of publicly announced programs	Maximum number (or approximate dollar value) of shares that may yet be purchased under the program[(1)]
January 1 - 31, 2024	—	$ —	—	$ 41,000,003
February 1 - 29, 2024	—	$ —	—	$ 41,000,003
March 1 - 31, 2024	—	$ —	—	$ 41,000,003
Three months ended March 31, 2024	—		—	

(1) On May 12, 2022, we announced the approval of a share repurchase program with authorization to purchase up to $50.0 million of our Class A common stock at management's discretion. The repurchase program does not have an expiration date, does not obligate us to repurchase any specific number of shares and may be modified, suspended or terminated at any time at our discretion. At March 31, 2024, we had approximately $41.0 million remaining under the share repurchase authorization, not including amounts used for net share settlement of vested equity incentive awards.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

		Incorporated by Reference			
Exhibit No.	Name	Form	File No.	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Registrant.	10-K	001-41043	3.1	February 27, 2024
3.2	Amended and Restated Bylaws of the Registrant.	8-K	001-41043	3.2	November 15, 2021
10.1	Second Amended and Restated Loan and Security Agreement, dated as of February 21, 2024, by and among Expensify, Inc., the Lenders party thereto and Canadian Imperial Bank of Commerce	8-K	001-41043	10.1	February 22, 2024
10.2*	First Amendment to the Second Amended and Restated Loan and Security Agreement, dated as of May 7, 2024, by and among Expensify, Inc., the Lenders party thereto and Canadian Imperial Bank of Commerce				
31.1*	Certification of the Principal Executive Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of the Principal Financial Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1**	Certification of the Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2**	Certification of the Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	Inline XBRL Instance Document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkable Document.				
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document).				

* Filed herewith.

** Furnished herewith. The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the SEC and are not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

Signatures

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

EXPENSIFY, INC.

Date: May 9, 2024	By: /s/ David Barrett David Barrett President and Chief Executive Officer *(Principal Executive Officer)*
Date: May 9, 2024	By: /s/ Ryan Schaffer Ryan Schaffer Chief Financial Officer *(Principal Financial Officer)*

FIRST AMENDMENT TO
SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This FIRST AMENDMENT TO SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this "**Amendment**") is entered into as of May 7, 2024 (the "**First Amendment Effective Date**") by and among EXPENSIFY, INC., a Delaware corporation (in its capacity as borrower representative, "**Borrower Representative**"), the Lenders party hereto, constituting Required Lenders, Canadian Imperial Bank of Commerce (in its individual capacity, "**CIBC**", and in its capacity as administrative agent and collateral agent for the Lenders "**Agent**").

RECITALS

A. Borrower Representative, Lenders and Agent are parties to that certain Second Amended and Restated Loan and Security Agreement, dated as of February 21, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "**Agreement**"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Agreement.

B. Borrower Representative has requested certain modifications to the terms of the Agreement, and Agent and Required Lenders, although under no obligation to do so, have agreed to such modifications, on the terms set forth herein.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. **Definitions**. Capitalized terms used but not defined in this Amendment shall have the respective meanings given to them in the Agreement.

2. **Amendments**.

2.1 Section 7.7(a)(vi) of the Agreement is hereby amended and restated to read as follows:

(6) Borrower Representative may repurchase or otherwise retire certain shares of

(A) its common stock otherwise issuable

(x) upon conversion of restricted stock unit awards and

(y) pursuant to its stock purchase and matching plan, in each case, to satisfy certain tax obligations with respect to such restricted stock unit awards or shares owing by the applicable employee, and

(B) unvested options or restricted stock grants granted to of the employees, directors, officers or consultants under equity incentive plans to be repurchased upon the departure or other termination of service,

provided that

(i) the aggregate amount of such repurchases described in clauses (A) and (B) shall not, during any consecutive twelve (12) month period, exceed $2,500,000,

(ii) no Default or Event of Default shall exist or result from such repurchase or other retirement of shares, and

(iii) Borrower Representative shall have delivered calculations certified by a Responsible Officer demonstrating pro forma financial covenant compliance to Administrative Agent concurrently with such repurchase, or

2.2 Exhibit C to the Agreement is hereby amended and restated as set forth in Exhibit C attached hereto.

3. **Waiver**. Agent and Lender hereby agree to waive any Event of Default resulting from the repurchase of unvested equity incentive options of Borrower Representative from employees, consultants, officers or directors, in each case, in connection with the termination of service, in excess of amounts permitted under Section 7.7 (as in effect prior to the effectiveness of this Amendment) in amounts as disclosed to Agent as of the date of this Amendment from January 1, 2022 through the date of this Amendment, in amounts not exceeding the following: fiscal year 2024 (through date of this Amendment): $32,000, fiscal year 2023: $17,000; fiscal year 2022: $25,000. The foregoing waiver shall be precisely limited as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document except as expressly set forth herein, (b) create a course of dealing with respect to any future amendment, waiver, consent or other modification of any other term or condition of the Loan Documents (or with respect to any existing or future breach of the Loan Documents), or (c) otherwise prejudice any right or remedy which Secured Parties may now have or may have in the future under or in connection with any Loan Document.

4. **Obligations**. Each Borrower hereby acknowledges that the Obligations are due and owing as set forth in the Agreement without setoff, recoupment, defense or counterclaim, in law or in equity, of any nature or kind. All security interests granted to Agent by Borrowers under any Loan Document is hereby reaffirmed by Borrowers and shall continue to secure the Obligations from the Closing Date. Except as expressly set forth herein, the terms of the Loan Documents remain in effect. This Amendment is a Loan Document.

5. **Representations**. To induce Agent and Lenders to enter into this Amendment, each Borrower hereby represents and warrants as follows:

5.1 The representations and warranties contained in the Agreement and the other Loan Documents are true and correct in all material respects as of the date of this Amendment (except for such representations and warranties referring to another date, which representations and warranties are true and correct in all material respects as of such date), provided that the Perfection Certificate is hereby amended and restated as set forth in the Schedule hereto.

5.2 No Event of Default has occurred or presently exists.

5.3 Each Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Agreement, as amended by this Amendment.

5.4 The execution and delivery by each Borrower of this Amendment and the performance by such Borrower of its obligations under the Agreement (a) have been duly authorized by all necessary action on the part of such Borrower, and (b) will not contravene (i) any law or regulation binding on or affecting such Borrower, (ii) any contractual restriction with a Person binding on such Borrower, (iii) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on such Borrower, or (iv) the Operating Documents of such Borrower.

5.5 The execution and delivery by each Borrower of this Amendment and the performance by such Borrower of its obligations under the Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or subdivision thereof, binding on such Borrower, except as already has been obtained or made.

6. **Counterparts; Electronic Execution of Documents**. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. Delivery of an executed counterpart of a signature page of this Amendment or any document delivered in connection therewith by electronic means including by email delivery of a ".pdf" format data file shall be effective as delivery of an original executed counterpart thereof.

7. **Effectiveness**. This Amendment shall be effective upon due execution and delivery of this Amendment by the parties hereto.

8. **Expenses**. Borrowers shall pay all Lender Expenses incurred in connection with this Amendment upon demand.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO FIRST AMENDMENT TO SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the first date above written.

BORROWER REPRESENTATIVE:

EXPENSIFY, INC.

By: /s/ Ryan Schaffer

Name: Ryan Schaffer
Title: CFO

ADMINISTRATIVE AGENT AND LENDER:

CANADIAN IMPERIAL BANK OF COMMERCE

By: /s/ Ian Curry

Name: Ian Curry
Title: Authorized Signatory

By: /s/ Joshua Tam

Name: Joshua Tam
Title: Authorized Signatory

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Barrett, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Expensify, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(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.

/s/ David Barrett
David Barrett
Chief Executive Officer
(Principal Executive Officer)

Date: May 9, 2024

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ryan Schaffer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Expensify, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(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.

/s/ Ryan Schaffer
Ryan Schaffer
Chief Financial Officer
(Principal Financial Officer)

Date: May 9, 2024

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. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Expensify, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David Barrett
David Barrett
Chief Executive Officer
(Principal Executive Officer)

Date: May 9, 2024

Exhibit 32.2

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

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

(i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ryan Schaffer
Ryan Schaffer
Chief Financial Officer
(Principal Financial Officer)

Date: May 9, 2024