UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2022

OR

o **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 001-39313

SHIFT4 PAYMENTS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**84-3676340**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2202 N. Irving Street **Allentown, Pennsylvania**	**18109**
(Address of principal executive offices)	**(Zip Code)**

(888) 276-2108

(Registrant’s telephone number, including area code)

N/A

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.0001 par value per share	FOUR	The New York Stock Exchange

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

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 x No o

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	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o
Emerging growth company	o		

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 o No x

As of October 31, 2022, there were 53,006,376 shares of the registrant’s Class A common stock, $0.0001 par value per share, outstanding, 25,829,016 shares of the registrant’s Class B common stock, $0.0001 par value per share, outstanding and 3,626,749 shares of the registrant’s Class C common stock, $0.0001 par value per share, outstanding.

SHIFT4 PAYMENTS, INC.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q, including, without limitation, statements relating to our future results of operations and financial position, business strategy and plans; objectives of management for future operations, including, among others, statements regarding expected growth, future capital expenditures and debt service obligations; remediation of material weaknesses; and the anticipated impact of COVID-19 on our business are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other similar expressions, though not all forward-looking statements can be identified by such terms or expressions. The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to the following:

- the COVID-19 global pandemic has had and is expected to continue to have an adverse effect on our business and results of operations;
- substantial and increasingly intense competition worldwide in the financial services, payments and payment technology industries may adversely affect our overall business and operations;
- potential changes in the competitive landscape, including disintermediation from other participants in the payments chain, could harm our business;
- our ability to anticipate and respond to changing industry trends and the needs and preferences of our merchants and consumers may adversely affect our competitiveness or the demand for our products and services;
- because we rely on third-party vendors to provide products and services, we could be adversely impacted if they fail to fulfill their obligations;
- acquisitions create certain risks and may adversely affect our business, financial condition or results of operations;
- we may not be able to continue to expand our share of the existing payment processing markets or expand into new markets which would inhibit our ability to grow and increase our profitability;
- our services and products must integrate with a variety of operating systems, software, device and web browsers, and our business may be materially and adversely affected if we are unable to ensure that our services interoperate with such operating systems, device, software and web browsers;
- we depend, in part, on our merchant and software partner relationships and strategic partnerships with various institutions to operate and grow our business. If we are unable to maintain these relationships and partnerships, our business may be adversely affected;
- our balance sheet includes significant amounts of goodwill and intangible assets. The impairment of a significant portion of these assets would negatively affect our business, financial condition or results of operations;
- failure to comply with the U.S. Foreign Corrupt Practices Act ("FCPA") anti-money laundering, economic and trade sanctions regulations, and similar laws could subject us to penalties and other adverse consequences;
- our principal asset is our interest in Shift4 Payments, LLC, and, as a result, we depend on distributions from Shift4 Payments, LLC to pay our taxes and expenses, including payments under the Tax Receivable Agreement ("TRA"). Shift4 Payments, LLC's ability to make such distributions may be subject to various limitations and restrictions;
- our Founder (as defined herein) has significant influence over us, including control over decisions that require the approval of stockholders;
- the potential impact of, and our ability to remediate, material weaknesses in our internal control over financial reporting;

- the ongoing military action between Russia and Ukraine could adversely affect our business, financial condition and results of operations; and
- those factors described in the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” in our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2021, filed on November 8, 2022 (the “2021 Form 10-K/A”) and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report on Form 10-Q.

Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

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PART I: FINANCIAL INFORMATION
Item 1. Financial Statements (unaudited)

SHIFT4 PAYMENTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)(in millions, except share and per share amounts)

	September 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 672.7	$ 1,231.5
Accounts receivable, net of allowance for doubtful accounts of $ 14.7 in 2022 ($8.0 in 2021)	262.2	205.9
Inventory	5.9	3.5
Prepaid expenses and other current assets (Note 11)	19.9	12.7
Total current assets	960.7	1,453.6
Noncurrent assets		
Goodwill (Note 5)	777.3	537.7
Other intangible assets, net (Note 6)	561.7	188.5
Capitalized customer acquisition costs, net (Note 7)	35.2	35.1
Equipment for lease, net (Note 8)	70.5	58.4
Property, plant and equipment, net (Note 9)	21.4	18.4
Right-of-use assets (Note 14)	16.7	18.5
Investments in securities	32.0	30.5
Other noncurrent assets	10.2	1.9
Total noncurrent assets	1,525.0	889.0
Total assets	$ 2,485.7	$ 2,342.6
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 177.1	$ 121.1
Accrued expenses and other current liabilities (Note 11)	86.6	42.9
Deferred revenue (Note 4)	20.3	15.0
Current lease liabilities (Note 14)	4.6	4.8
Total current liabilities	288.6	183.8
Noncurrent liabilities		
Long-term debt (Note 10)	1,739.8	1,738.5
Deferred tax liability (Note 13)	9.3	0.3
Noncurrent lease liabilities (Note 14)	15.9	17.9
Other noncurrent liabilities	11.3	2.4
Total noncurrent liabilities	1,776.3	1,759.1
Total liabilities	2,064.9	1,942.9
Commitments and contingencies (Note 16)		
Stockholders' equity (Note 17)		
Preferred stock, $0.0001 par value, 20,000,000 shares authorized at September 30, 2022 and December 31, 2021, none issued and outstanding	—	—
Class A common stock, $0.0001 par value per share, 300,000,000 shares authorized, 53,006,376 and 51,793,127 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	—	—
Class B common stock, $0.0001 par value per share, 100,000,000 shares authorized, 25,829,016 and 26,272,654 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	—	—
Class C common stock, $0.0001 par value per share, 100,000,000 shares authorized, 3,626,749 and 5,035,181 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	—	—
Additional paid-in capital	696.0	619.2
Treasury stock, at cost; no shares and 378,475 shares at September 30, 2022 and December 31, 2021, respectively	—	(21.1)
Accumulated other comprehensive loss	(0.7)	—
Retained deficit	(392.8)	(325.3)
Total stockholders' equity attributable to Shift4 Payments, Inc.	302.5	272.8
Noncontrolling interests (Note 18)	118.3	126.9
Total stockholders' equity	420.8	399.7
Total liabilities and stockholders' equity	$ 2,485.7	$ 2,342.6

See accompanying notes to unaudited condensed consolidated financial statements.

SHIFT4 PAYMENTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited) (in millions, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Gross revenue (a)	$ 547.3	$ 377.8	$ 1,455.9	$ 968.1
Cost of sales (exclusive of depreciation and amortization expense shown separately below) (b)	(411.6)	(313.4)	(1,129.8)	(773.8)
General and administrative expenses	(74.1)	(48.1)	(198.6)	(153.1)
Revaluation of contingent liabilities (Note 12)	36.9	—	37.2	(0.2)
Depreciation and amortization expense (c)	(28.9)	(15.0)	(62.9)	(45.9)
Professional fees	(10.4)	(3.3)	(24.3)	(13.0)
Advertising and marketing expenses	(5.6)	(3.5)	(11.2)	(26.1)
Restructuring expenses (Note 11)	(0.1)	(0.1)	(0.2)	(0.2)
Transaction-related expenses (Note 10)	—	—	(1.4)	—
Income (loss) from operations	53.5	(5.6)	64.7	(44.2)
Loss on extinguishment of debt	—	—	—	(0.2)
Interest income	3.5	—	4.9	—
Other income, net	—	0.2	0.3	0.2
Change in TRA liability (Note 13)	(1.1)	—	(1.1)	—
Interest expense	(8.3)	(7.4)	(24.6)	(20.2)
Income (loss) before income taxes	47.6	(12.8)	44.2	(64.4)
Income tax (provision) benefit (Note 13)	(1.2)	(1.0)	4.0	4.1
Net income (loss)	46.4	(13.8)	48.2	(60.3)
Net income (loss) attributable to noncontrolling interests	3.3	(4.6)	2.3	(21.5)
Net income (loss) attributable to Shift4 Payments, Inc.	$ 43.1	$ (9.2)	$ 45.9	$ (38.8)
Basic net income (loss) per share:				
Class A net income (loss) per share - basic	$ 0.78	$ (0.17)	$ 0.82	$ (0.72)
Class A weighted average common stock outstanding - basic	51,502,825	49,692,599	51,804,935	46,251,576
Class C net income (loss) per share - basic	$ 0.78	$ (0.17)	$ 0.82	$ (0.72)
Class C weighted average common stock outstanding - basic	3,648,580	6,117,997	4,069,266	8,078,943
Diluted net income (loss) per share:				
Class A net income (loss) per share - diluted	$ 0.57	$ (0.17)	$ 0.58	$ (0.72)
Class A weighted average common stock outstanding - diluted	77,801,346	49,692,599	78,479,541	46,251,576
Class C net income (loss) per share - diluted	$ 0.57	$ (0.17)	$ 0.58	$ (0.72)
Class C weighted average common stock outstanding - diluted	3,648,580	6,117,997	4,069,266	8,078,943

See accompanying notes to unaudited condensed consolidated financial statements.

(a) For the three and nine months ended September 30, 2021, includes $ 22.4 million of payments to merchants associated with the TSYS outage, which are recorded as contra revenue and reflected as a reduction of “Gross revenue.” See Note 4 for more information.

(b) For the three and nine months ended September 30, 2021, includes $ 2.3 million of payments to partners associated with the TSYS outage. See Note 4 for more information.

(c) Depreciation and amortization expense includes depreciation of equipment under lease of $ 8.2 million and $ 22.6 million for the three and nine months ended September 30, 2022, respectively, and $5.8 million and $ 15.4 million for the three and nine months ended September 30, 2021, respectively.

SHIFT4 PAYMENTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited) (in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	$ 46.4	$ (13.8)	$ 48.2	$ (60.3)
Other comprehensive loss				
Unrealized loss on foreign currency translation adjustment, net of tax	(0.5)	—	(1.1)	—
Total other comprehensive loss	(0.5)	—	(1.1)	—
Comprehensive income (loss)	45.9	(13.8)	47.1	(60.3)
Comprehensive income (loss) attributable to noncontrolling interests	3.1	(4.6)	1.9	(21.5)
Comprehensive income (loss) attributable to Shift4 Payments, Inc.	$ 42.8	$ (9.2)	$ 45.2	$ (38.8)

See accompanying notes to unaudited condensed consolidated financial statements.

SHIFT4 PAYMENTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited) (in millions, except share amounts)

	Class A Common Stock		Class B Common Stock		Class C Common Stock		Additional Paid-In Capital	Treasury Stock		Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Amount				
Balances at December 31, 2021	51,793,127	$ —	26,272,654	$ —	5,035,181	$ —	$ 619.2	(378,475)	$ (21.1)	$ (325.3)	$ —	$ 126.9	$ 399.7
Net loss	—	—	—	—	—	—	—	—	—	(7.5)	—	(5.7)	(13.2)
Issuance of Class A common stock and fair value of equity-based compensation awards assumed in connection with The Giving Block acquisition	785,969	—	—	—	—	—	24.7	—	—	—	—	11.8	36.5
Repurchases of Class A common stock to treasury stock	—	—	—	—	—	—	4.5	(301,510)	(17.2)	—	—	(4.5)	(17.2)
Exchange of shares held by Continuing Equity Owners	732,524	—	—	—	(732,524)	—	—	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	—	—	15.8	—	—	—	—	—	15.8
Vesting of restricted stock units, net of tax withholding	306,953	—	—	—	—	—	(4.6)	—	—	—	—	1.2	(3.4)
Balances at March 31, 2022	53,618,573	—	26,272,654	—	4,302,657	—	659.6	(679,985)	(38.3)	(332.8)	—	129.7	418.2
Net income	—	—	—	—	—	—	—	—	—	10.3	—	4.7	15.0
Issuance of Class A common stock	17,287	—	—	—	—	—	0.4	—	—	—	—	0.2	0.6
Repurchases of Class A common stock to treasury stock	—	—	—	—	—	—	46.8	(3,585,681)	(167.2)	—	—	(46.8)	(167.2)
Retirement of treasury stock	(3,539,016)	—	—	—	—	—	(76.4)	3,539,016	176.7	(100.3)	—	—	—
Exchange of shares held by Continuing Equity Owners	1,095,915	—	(443,638)	—	(652,277)	—	1.6	—	—	—	—	(1.6)	—
Equity-based compensation	—	—	—	—	—	—	9.3	—	—	—	—	—	9.3
Vesting of restricted stock units, net of tax withholding	265,553	—	—	—	—	—	(5.8)	—	—	—	—	(2.1)	(7.9)
Cumulative translation adjustment	—	—	—	—	—	—	—	—	—	—	(0.4)	(0.2)	(0.6)
Balances at June 30, 2022	51,458,312	—	25,829,016	—	3,650,380	—	635.5	(726,650)	(28.8)	(422.8)	(0.4)	83.9	267.4
Net income	—	—	—	—	—	—	—	—	—	43.1	—	3.3	46.4
Issuance of Class A common stock in connection with acquisitions and residual commission buyouts	2,228,663	—	—	—	—	—	63.8	—	—	—	—	31.4	95.2
Retirement of treasury stock	(726,650)	—	—	—	—	—	(15.7)	726,650	28.8	(13.1)	—	—	—
Exchange of shares held by Continuing Equity Owners	23,631	—	—	—	(23,631)	—	—	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	—	—	12.8	—	—	—	—	—	12.8
Vesting of restricted stock units, net of tax withholding	22,420	—	—	—	—	—	(0.4)	—	—	—	—	(0.1)	(0.5)
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—	(0.3)	(0.2)	(0.5)
Balances at September 30, 2022	53,006,376	$ —	25,829,016	$ —	3,626,749	$ —	$ 696.0	—	$ —	$ (392.8)	$ (0.7)	$ 118.3	$ 420.8

SHIFT4 PAYMENTS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited) (in millions, except share amounts)

	Class A Common Stock		Class B Common Stock		Class C Common Stock		Additional Paid-In Capital	Retained Deficit	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances at December 31, 2020	39,737,950	$ —	30,625,857	$ —	10,188,852	$ —	$ 738.3	$ (278.7)	$ 210.4	$ 670.0
Net loss	—	—	—	—	—	—	—	(32.8)	(18.2)	(51.0)
Cumulative effect of ASU 2020-06 adoption	—	—	—	—	—	—	(111.5)	1.6	—	(109.9)
Issuance of Class A common stock and fair value of equity-based compensation awards assumed in connection with VenueNext acquisition	325,127	—	—	—	—	—	13.5	—	12.8	26.3
Transfer from Founder of right associated with Inspiration4 seat	—	—	—	—	—	—	1.3	—	0.8	2.1
Exchange of shares held by Searchlight	2,000,000	—	(926,000)	—	(1,074,000)	—	6.3	—	(6.3)	—
Equity-based compensation	—	—	—	—	—	—	14.0	—	—	14.0
Vesting of restricted stock units, net of tax withholding	46,503	—	—	—	—	—	(1.4)	—	(1.0)	(2.4)
Balances at March 31, 2021	42,109,580	—	29,699,857	—	9,114,852	—	660.5	(309.9)	198.5	549.1
Net income	—	—	—	—	—	—	—	3.2	1.3	4.5
Exchange of shares held by Searchlight	3,152,165	—	(1,459,453)	—	(1,692,712)	—	7.9	—	(7.9)	—
Equity-based compensation	—	—	—	—	—	—	6.6	—	—	6.6
Vesting of restricted stock units, net of tax withholding	1,953,859	—	—	—	—	—	(73.7)	—	(40.3)	(114.0)
Balances at June 30, 2021	47,215,604	—	28,240,404	—	7,422,140	—	601.3	(306.7)	151.6	446.2
Net loss	—	—	—	—	—	—	—	(9.2)	(4.6)	(13.8)
Issuance of Class A common stock and fair value of equity-based compensation awards assumed in connection with VenueNext acquisition	16,797	—	—	—	—	—	—	—	—	—
Exchange of shares held by Searchlight	4,250,000	—	(1,967,750)	—	(2,282,250)	—	9.0	—	(9.0)	—
Equity-based compensation	—	—	—	—	—	—	6.4	—	—	6.4
Vesting of restricted stock units, net of tax withholding	26,207	—	—	—	—	—	(2.4)	—	(1.0)	(3.4)
Balances at September 30, 2021	51,508,608	$ —	26,272,654	$ —	5,139,890	$ —	$ 614.3	$ (315.9)	$ 137.0	$ 435.4

See accompanying notes to unaudited condensed consolidated financial statements.

SHIFT4 PAYMENTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (in millions)

	Nine Months Ended September 30,	
	2022	2021
Operating activities		As Restated
Net income (loss)	$ 48.2	$ (60.3)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization	101.6	76.8
Amortization of capitalized financing costs	6.0	4.1
Loss on extinguishment of debt	—	0.2
Deferred income taxes	(4.4)	(4.3)
Provision for bad debts	5.8	10.3
Revaluation of contingent liabilities	(37.2)	0.2
Change in TRA liability	1.1	—
Equity-based compensation expense	38.4	26.9
Other noncash items	0.9	1.0
Change in operating assets and liabilities		
Accounts receivable	(58.1)	(98.0)
Prepaid expenses and other assets	(4.6)	(1.4)
Inventory	3.1	2.9
Capitalized customer acquisition costs	(19.4)	(19.3)
Accounts payable	44.2	59.1
Accrued expenses and other current liabilities	8.3	5.3
Right-of-use assets and lease liabilities, net	(0.4)	—
Deferred revenue	2.4	2.8
Net cash provided by operating activities	135.9	6.3
Investing activities		
Residual commission buyouts	(268.2)	(4.4)
Acquisitions, net of cash acquired	(135.2)	(54.2)
Acquisition of equipment to be leased	(39.6)	(35.3)
Capitalized software development costs	(31.7)	(13.0)
Investments in securities	(1.5)	(29.5)
Acquisition of property, plant and equipment	(6.8)	(6.3)
Net cash used in investing activities	(483.0)	(142.7)
Financing activities		
Proceeds from long-term debt	—	632.5
Repurchases of Class A common stock to treasury stock	(185.9)	—
Payments for withholding tax related to vesting of restricted stock units	(20.6)	(119.7)
Deferred financing costs	(4.9)	(15.2)
Repayment of debt	—	(0.9)
Net cash (used in) provided by financing activities	(211.4)	496.7
Effect of exchange rate changes on cash and cash equivalents	(0.3)	—
Change in cash and cash equivalents	(558.8)	360.3
Cash and cash equivalents		
Beginning of period	1,231.5	927.8
End of period	$ 672.7	$ 1,288.1

Supplemental cash flows information and noncash activities are further described in Note 21.

See accompanying notes to unaudited condensed consolidated financial statements.

SHIFT4 PAYMENTS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) (in millions, except share, unit and per unit amounts)

1. Organization, Basis of Presentation and Significant Accounting Policies

Organization

Shift4 Payments, Inc., ("Shift4 Payments") ("the Company"), was incorporated in Delaware on November 5, 2019 in order to carry on the business of Shift4 Payments, LLC and its consolidated subsidiaries. The Company is a leading provider of integrated payment processing and technology solutions in the United States ("U.S."). The Company has also begun executing on its international expansion strategy. The Company distributes its services through its internal sales and support teams, as well as through its network of software partners. Through the *Shift4 Model*, the Company offers software partners a single integration to an end-to-end payments offering, a powerful gateway and a robust suite of technology solutions (including cloud enablement, business intelligence, analytics, and mobile) to enhance the value of their software suites and simplify payment acceptance. The Company provides for its merchants a seamless customer experience at scale, rather than simply acting as one of multiple providers they rely on to operate their businesses. The *Shift4 Model* is built to serve a range of merchants from small-to-medium-sized businesses to large and complex enterprises across numerous verticals, including food and beverage, hospitality, stadiums and arenas, gaming, specialty retail, non-profits, eCommerce, and exciting technology companies. This includes the Company's point of sale ("POS") software offerings, as well as over 500 additional software integrations in virtually every industry.

Basis of Presentation

The accompanying interim condensed consolidated financial statements of the Company are unaudited. These interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP") and the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial information. As such, these financial statements do not include all information and footnotes required by U.S. GAAP for complete financial statements. The December 31, 2021 Condensed Consolidated Balance Sheet was derived from audited financial statements as of that date, but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments consisting only of normal recurring adjustments necessary to state fairly the financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP applicable to interim periods. The results of operations for the interim periods presented are not necessarily indicative of results for the full year or future periods. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the fiscal year ended December 31, 2021, as disclosed in the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2021 (the "2021 Form 10-K/A").

The unaudited condensed consolidated financial statements include the accounts of Shift4 Payments, Inc. and its wholly-owned subsidiaries. Shift4 Payments, Inc. consolidates the financial results of Shift4 Payments, LLC, which is considered a variable interest entity. Shift4 Payments, Inc. is the primary beneficiary and sole managing member of Shift4 Payments, LLC and has decision making authority that significantly affects the economic performance of the entity. As a result, the Company consolidates Shift4 Payments, LLC and reports a noncontrolling interest representing the economic interest in Shift4 Payments, LLC held by Rook Holdings Inc. ("Rook"). Prior to May 24, 2022, the noncontrolling interest also included the economic interest in Shift4 Payments, LLC held by certain affiliates of Searchlight Capital Partners ("Searchlight", and together with Rook, the "Continuing Equity Owners").

All intercompany balances and transactions have been eliminated in consolidation.

The assets and liabilities of Shift4 Payments, LLC represent substantially all of the consolidated assets and liabilities of Shift4 Payments, Inc. with the exception of certain cash balances, contingent consideration for earnout liabilities for The Giving Block, Inc. ("The Giving Block"), amounts payable under the Tax Receivable Agreement ("TRA"), and the aggregate principal amount of $690.0 million of 2025 Convertible Notes and $632.5 million of 2027 Convertible Notes that are held by Shift4 Payments, Inc. directly. As of both September 30, 2022 and December 31, 2021, $9.8 million of cash was directly held by Shift4 Payments, Inc. As of September 30, 2022, the earnout liability for The Giving Block was $21.0 million and the TRA liability was $1.1 million. Shift4 Payments, Inc., which was incorporated on November 5, 2019, has not had any material operations on a standalone basis since its inception, and all of the operations of the Company are carried out by Shift4 Payments, LLC and its subsidiaries.

Change in Presentation of Condensed Consolidated Statements of Operations

The Company has changed the presentation of its Condensed Consolidated Statements of Operations to remove the "Gross profit" line item and update the "Cost of sales" line item to indicate it is exclusive of depreciation and amortization expense shown separately for the three and nine months ended September 30, 2022 and 2021. The Company has also changed the presentation of the disclosure in Note 22 to remove the reconciliation between "Gross revenue" and "Gross profit.'In addition, certain prior year balances have been adjusted to present "Revaluation of contingent liabilities" in its own line item rather than within the line item "General and administrative expenses" on the Company's unaudited Condensed Consolidated Statements of Operations.

Liquidity and Management's Plan

As of September 30, 2022, the Company had $1,772.5 million total principal amount of debt outstanding and was in compliance with the financial covenants under its debt agreements. The Company expects to be in compliance with such financial covenants for at least 12 months following issuance of these unaudited condensed consolidated financial statements. See Note 10 for further information on the Company's debt obligations.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Company's unaudited condensed consolidated financial statements and accompanying notes. Significant estimates inherent in the preparation of the accompanying unaudited condensed consolidated financial statements include estimates of fair value of acquired assets and liabilities through business combinations, fair value of contingent liabilities related to earnout payments, deferred income tax valuation allowances, amounts associated with the Company's tax receivable agreement with the Continuing Equity Owners, fair value of debt instruments, allowance for doubtful accounts, income taxes, investments in securities and noncontrolling interests. Estimates are based on past experience and other considerations reasonable under the circumstances. Actual results may differ from these estimates.

Significant Accounting Policies

The Company's significant accounting policies are discussed in Note 2 to Shift4 Payments, Inc.'s consolidated financial statements as of and for the year ended December 31, 2021 in the 2021 Form 10-K/A. There have been no significant changes to these policies which have had a material impact on the Company's unaudited condensed consolidated financial statements and related notes during the nine months ended September 30, 2022, except for the below.

Crypto Settlement Assets and Liabilities

The Company recognizes a liability accompanied by an asset of the same value to reflect its obligation tosafeguard the crypto settlement assets it holds on behalf of users of The Giving Block Inc.'s ("The Giving Block") platform. These crypto settlement assets are comprised of numerous cryptocurrencies that are traded on numerous cryptocurrency exchanges. The liability and asset are remeasured at each reporting date at the fair value of the crypto settlement assets, which is determined using quoted prices from cryptocurrency exchanges.The Company's agent, which acts as a cryptocurrency exchange and custodian, holds the cryptographic key information of the crypto settlement assets and is primarily obligated to secure the assets and protect them from loss or theft. The Company maintains the internal recordkeeping of the assets.

Recent Accounting Pronouncements

Accounting Pronouncements Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, Leases ("ASC 842") with amendments in 2018 and 2019. This accounting guidance requires a lessee to record assets and liabilities on the balance sheet for the rights and obligations arising from leases with terms of more than 12 months. On January 1, 2021, the Company adopted ASC 842 using the modified retrospective method, reflecting the adoption in the Company's annual results for the period ended December 31, 2021. Prior period amounts were not adjusted and continue to be reported in accordance with historic accounting under previous lease guidance, ASC 840, Leases ("ASC 840"). The Company elected to use the package of practical expedients permitted under the transition guidance. The Company did not reassess (i) whether any expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct costs for any existing leases. For lease agreements where the Company is a lessee that include lease and non-lease components, the Company elected to use the practical expedient on all leases entered into or modified after January 1, 2021 to combine lease and non-lease components for all classes of assets. Additionally, the Company elected to not record leases with a term of twelve months or less on the balance sheet. Upon adoption, the Company recorded right-of-use assets of $21.4 million and lease liabilities of $25.7 million. The adoption of ASC 842 did not result in a material impact to the unaudited Condensed Consolidated Statements of Operations or unaudited Condensed Consolidated Statements of Cash Flows. See Note 14 for ASC 842-related disclosures.

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, which changes the impairment model for most financial assets, including accounts receivable, and replaces the existing incurred loss impairment model with a current expected credit loss ("CECL") methodology, which will result in more timely recognition of credit losses. The Company adopted ASU 2016-13 on a modified retrospective basis on December 31, 2021, reflecting the adoption as of January 1, 2021 in the Company's annual results for the period ended December 31, 2021 and interim periods beginning January 1, 2022. The adoption of ASU 2016-13 did not result in a material impact on the Company's unaudited condensed consolidated financial statements and disclosures.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. This ASU requires an acquirer to account for revenue contracts acquired in a business combination in accordance with ASC 606, as if it had originated the contracts. Prior to ASU 2021-08, an acquirer generally recognized assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers and other similar contracts, at fair value on the acquisition date. The Company adopted ASU 2021-08 in the third quarter of 2021 and retrospectively applied the ASU to its acquisitions that occurred in 2021. The adoption of ASU 2021-08 resulted in an increase to "Deferred revenue" of $5.7 million, of which $1.8 million was recognized as an increase to "Gross revenue" for the fiscal year ended December 31, 2021.

In July 2021, the FASB issued ASU 2021-05, *Lessors—Certain Leases with Variable Lease Payments*, to amend lessor accounting for certain leases with variable lease payments that do not depend on a reference index or a rate and would have resulted in the recognition of a loss at lease commencement if classified as a sales-type or a direct financing lease. ASU 2021-05 amends the classification requirements of such leases for lessors to require operating lease classification. The Company adopted ASU 2021-05 on a retrospective basis effective January 1, 2022. The adoption did not have a significant impact on the Company's unaudited condensed consolidated financial statements.

(Unaudited) (in millions, except share, unit and per unit amounts)

In March 2022, the SEC issued Staff Accounting Bulletin No. 121 ("SAB 121"), which provided interpretive guidance regarding the accounting for obligations to safeguard crypto-assets an entity holds for users of its crypto platform. This guidance requires entities that hold crypto-assets on behalf of platform users to recognize a liability accompanied by an asset of the same value on its balance sheet to reflect the entity's obligation to safeguard the crypto-assets held for its platform users. The liability and asset should be measured at initial recognition and each reporting date at the fair value of the crypto-assets that the entity is responsible for holding for its platform users. The entity should also describe in the footnotes to the financial statements the nature and amount of crypto-assets the entity is responsible for safeguarding for its platform users and how the fair value is determined, and should also consider including information regarding who (e.g., the entity, its agent, or another third party) holds the cryptographic key information, maintains the internal recordkeeping of those assets, and is obligated to secure the assets and protect them from loss or theft. This guidance is effective from the first interim period after June 15, 2022 and should be applied retrospectively. The Company adopted SAB 121 on a retrospective basis effective June 30, 2022, resulting in the recognition of $1.2 million of crypto settlement assets within "Prepaid expenses and other current assets" and $1.2 million of crypto settlement liabilities within "Accrued expenses and other current liabilities" on the Company's unaudited Condensed Consolidated Balance Sheets as of June 30, 2022 associated with The Giving Block. The value of crypto settlement assets and crypto settlement liabilities associated with The Giving Block was $1.7 million as of September 30, 2022. The adoption of this guidance had no impact on the Company's unaudited condensed consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform*, which provides optional expedients and exceptions for applying U.S. GAAP to contract modifications and hedging relationships, subject to certain criteria, that reference the London Interbank Offered Rate ("LIBOR"), or another reference rate that is expected to be discontinued. Companies may elect to apply these amendments through December 31, 2022. The Company is currently evaluating whether we will elect the optional expedients, as well as evaluating the impact of ASU 2020-04 on the Company's unaudited condensed consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, to clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring the fair value of the equity security. ASU 2022-03 also clarifies that an entity cannot recognize and measure a contractual sale restriction as a separate unit of account. The amendments in ASU 2022-03 may be early adopted and are effective on a prospective basis for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. The Company currently considers sale restrictions in measuring the fair value of shares of its Class A common stock equity securities issued in conjunction with acquisitions. The Company is currently evaluating whether it will early adopt the amendments in ASU 2022-03 and is evaluating the impact of the amendments on the Company's unaudited condensed consolidated financial statements.

2. Restatement of Previously Issued Condensed Consolidated Financial Statements

In October 2022, it was determined that there was an error in the Company's original Quarterly Report on Form 10-Q for the three months ended September 30, 2021 related to the classification of customer acquisition costs within the Company's Condensed Consolidated Statements of Cash Flows. Specifically, the Company determined that "Customer acquisition costs" were incorrectly classified within "Investing activities" rather than "Operating activities" in its Condensed Consolidated Statements of Cash Flows. The Company is correcting this misclassification by restating its Condensed Consolidated Statements of Cash Flows in this Quarterly Report on Form 10-Q.

The following table summarizes the impact of these adjustments for the periods presented:

	Nine Months Ended September 30, 2021		
	As Reported	**Adjustments**	**As Restated**
Net cash provided by operating activities	$ 25.6	$ (19.3)	$ 6.3
Net cash used in investing activities	(162.0)	19.3	(142.7)
Net cash provided by financing activities	496.7	—	496.7
Change in cash and cash equivalents	$ 360.3	$ —	$ 360.3

(Unaudited) (in millions, except share, unit and per unit amounts)

3. Acquisitions

Each of the following acquisitions was accounted for as a business combination using the acquisition method of accounting. The respective purchase prices were allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill and represents the future economic benefits arising from other assets acquired, which cannot be individually identified or separately recognized. Under the acquisition method of accounting for business combinations, if there are changes to acquired deferred tax balances, valuation allowances or liabilities related to uncertain tax positions during the measurement period, and they are related to new information obtained about facts and circumstances that existed as of the acquisition date, those changes are considered a measurement-period adjustment, with the offset recorded to goodwill.

Online Payments Group

On September 29, 2022, the Company acquired Online Payments Group AG ("Online Payments Group") by acquiring 100% of its common stock for $125.9 million of estimated total purchase consideration, net of cash acquired. Online Payments Group is a European payment service provider with a world-class developer portal and checkout experience that management believes will accelerate the Company's global eCommerce growth. Total purchase consideration was as follows:

Cash	$	74.1
Shares of Class A common stock (a)		38.6
Contingent consideration (b)		22.0
Shareholder loans transfer		2.5
Total purchase consideration		137.2
Less: cash acquired		(11.3)
Total purchase consideration, net of cash acquired	$	125.9

(a) Total purchase consideration includes 971,371 shares of common stock.

(b) The Company agreed to an earnout due to the former shareholders of Online Payments Group, not to exceed $ 60.0 million. $30.0 million of the earnout is payable in September 2023 if key customers of Online Payments Group contribute a specified amount of revenue from September 29, 2022 to September 28, 2023 and the remaining $30.0 million of the earnout is payable in September 2024 if key customers contribute a specified amount of revenue from September 29, 2022 to September 28, 2024. Each portion of the earnout will be paid 50% in shares of the Company's Class A common stock and 50% in cash. The fair value of the earnout was included in the initial purchase consideration and will be revalued and recorded quarterly until the end of the earnout period as a fair value adjustment within "Revaluation of contingent liabilities" in the Company's unaudited Condensed Consolidated Statements of Operations. As of September 30, 2022, the fair value of the earnout was $ 22.0 million, which is recognized in "Accrued expenses and other current liabilities" on the Company's unaudited Condensed Consolidated Balance Sheets.

(Unaudited) (in millions, except share, unit and per unit amounts)

The following table summarizes the fair value assigned to the assets acquired and liabilities assumed at the acquisition date. These amounts reflect various preliminary fair value estimates and assumptions, and are subject to change within the measurement period as valuations are finalized. The primary areas of preliminary purchase price allocation subject to change relate to the valuation of contingent consideration, accounts receivable, accrued expenses and other current liabilities assumed, and residual goodwill.

Accounts receivable	$	2.2
Shareholder loans receivable (a)		2.5
Other intangible assets		44.0
Goodwill (b)		83.0
Indemnification asset (c)		6.8
Accrued expenses and other current liabilities		(0.6)
Uncertain tax position (d)		(5.0)
Deferred tax liability		(5.2)
Other noncurrent liabilities		(1.8)
Net assets acquired	$	125.9

(a) Amount is eliminated in consolidation and therefore has no impact to the Company’s Condensed Consolidated Balance Sheets.

(b) Goodwill is not deductible for tax purposes.

(c) Included within “Other noncurrent assets” in the Company’s Condensed Consolidated Balance Sheets.

(d) Included within “Other noncurrent liabilities” in the Company’s Condensed Consolidated Balance Sheets.

In the nine months ended September 30, 2022, the Company incurred expenses in connection with the acquisition of Online Payments Group of $3.8 million. These expenses are included in “Professional fees” in the Company’s unaudited Condensed Consolidated Statements of Operations. Upon acquisition, the Company assessed the probability Online Payments Group would be required to pay certain tax liabilities and recorded to “Other noncurrent liabilities” on the Company’s unaudited Condensed Consolidated Balance Sheets $5.0 million for income taxes related to unrecognized tax benefits determined in accordance with the provisions of ASC 740, “Accounting for income taxes” and $1.8 million for non-income taxes determined in accordance with the provisions of ASC 450, “Contingencies.” Online Payments Group has agreed to indemnify the Company for tax liabilities related to periods prior to the acquisition and an indemnification asset was established for $6.8 million in the purchase price allocation, which is recorded to “Other noncurrent assets” on the Company’s unaudited Condensed Consolidated Balance Sheets.

The contingent liability arising from the expected earnout payment included in purchase consideration was measured on the acquisition date using a Monte Carlo simulation in a risk-neutral framework, calibrated to Management’s revenue forecasts. The transaction was not taxable for income tax purposes. The weighted average life of developed technology and customer relationships is 5 years and 10 years, respectively. The goodwill arising from the acquisition largely consisted of revenue synergies associated with a larger total addressable market and the ability to cross-sell existing customers, new customers and technology capabilities.

The acquisition of Online Payments Group did not have a material impact on the Company’s unaudited condensed consolidated financial statements. Accordingly, revenue and expenses related to the acquisition and pro forma financial information have not been presented.

(Unaudited) (in millions, except share, unit and per unit amounts)

Restaurant Technology Partners

During the three months ended September 30, 2022, the Company acquired Pinnacle Hospitality Systems LLC ("Pinnacle"), FPOS Group, Inc. ("FPOS"), Retail Control Solutions, Inc. ("RCS"), and three other restaurant technology partners in separate transactions for $80.3 million of total purchase consideration, net of cash acquired. The Company acquired 100% of each entity's ownership interests. These acquisitions enable the boarding of the restaurant technology partners' customers on the Company's end-to-end acquiring solution and empower the Company's distribution partners to sign the restaurant technology partners' customer accounts and leverage the combined expertise to handle all aspects of installation, service, and support. Total purchase consideration was as follows:

Cash	$	63.1
Shares of Class A common stock (a)		20.7
Contingent consideration (b)		2.2
Settlement of preexisting relationship		(2.5)
Total purchase consideration		83.5
Less: cash acquired		(3.2)
Total purchase consideration, net of cash acquired	$	80.3

(a) Total purchase consideration includes 598,759 shares of common stock.

(b) The Company agreed to earnouts due to certain former shareholders of the restaurant technology partners, calculated as a multiple of the number of each partners' merchants that are converted to the Company's end-to-end payments platform during the 18 months following each respective acquisition date, not to exceed $4.0 million in total. The earnouts are expected to be paid in a combination of cash and shares of the Company's Class A common stock. The fair value of the earnouts was included in the initial purchase consideration and will be revalued and recorded quarterly until the end of the earnout period as a fair value adjustment within "Revaluation of contingent liabilities" in the Company's unaudited Condensed Consolidated Statements of Operations. As of September 30, 2022, the fair value of the earnouts was $2.2 million, which is recognized in "Accrued expenses and other current liabilities" on the Company's unaudited Condensed Consolidated Balance Sheets.

The following table summarizes the fair value assigned to the assets acquired and liabilities assumed at the acquisition dates. These amounts reflect various preliminary fair value estimates and assumptions, and are subject to change within the measurement period as valuations are finalized. The primary areas of preliminary purchase price allocation subject to change relate to the valuation of contingent consideration, other intangible assets, and residual goodwill.

Accounts receivable	$	1.8
Inventory		1.5
Prepaid expenses and other current assets		0.1
Goodwill (a)		67.2
Other intangible assets, net		15.6
Property, plant and equipment, net		0.3
Right-of-use assets		1.3
Accounts payable		(1.9)
Accrued expenses and other current liabilities		(0.5)
Deferred revenue		(1.9)
Current lease liabilities		(0.5)
Deferred tax liability		(1.9)
Noncurrent lease liabilities		(0.8)
Net assets acquired	$	80.3

(a) $35.9 million of goodwill is deductible for tax purposes and $ 31.3 million of goodwill is not deductible for tax purposes.

(Unaudited) (in millions, except share, unit and per unit amounts)

The fair values of intangible assets were estimated using inputs classified as Level 3 under the income approach using the multi-period excess earnings method (customer relationships). Three of the transactions were taxable for income tax purposes andthree of the transactions were not taxable for income tax purposes. The weighted average lives of customer relationships range from 14 years to 17 years. The goodwill arising from the acquisitions largely consisted of revenue synergies associated with a larger total addressable market and the ability to cross-sell existing and new customers.

The acquisitions of the restaurant technology partners did not have a material impact on the Company's unaudited condensed consolidated financial statements. Accordingly, revenue and expenses related to the acquisition and pro forma financial information have not been presented.

In the nine months ended September 30, 2022, the Company incurred expenses in connection with the Pinnacle, FPOS, RCS, and other restaurant technology partner acquisitions of $2.6 million. These expenses are included in "Professional fees" in the Company's unaudited Condensed Consolidated Statements of Operations.

The Giving Block

On February 28, 2022, the Company acquired The Giving Blockby acquiring 100% of its common stock fcr $106.9 million of estimated total purchase consideration, net of cash acquired. The Giving Block is a cryptocurrency donation marketplace that the Company expects to accelerate its growth in the non-profit sector with significant cross-sell potential. Total purchase consideration was as follows:

Cash	$ 16.8
Shares of Class A common stock (a)	36.4
RSUs granted for fair value of equity-based compensation awards (b)	0.1
Contingent consideration (c)	57.8
Total purchase consideration	111.1
Less: cash acquired	(4.2)
Total purchase consideration, net of cash acquired	$ 106.9

(a) Total purchase consideration includes 785,969 shares of common stock.

(b) The Company assumed all equity awards held by continuing employees. The portion of the fair value of the equity-based compensation awards associated with prior service of The Giving Block employees represents a component of the total consideration as presented above and was valued based on the fair value of The Giving Block awards on February 28, 2022, the acquisition date.

(c) The Company agreed to an earnout due to the former shareholders of The Giving Block in April 2023, calculated as a multiple of revenue earned by The Giving Block from March 1, 2022 to February 28, 2023, not to exceed $246.0 million. The earnout is expected to be paid 75% in a combination of RSUs and shares of the Company's Class A common stock and 25% in cash. The fair value of the earnout was included in the initial purchase consideration and will be revalued quarterly until the end of the earnout period as a fair value adjustment within "Revaluation of contingent liabilities" in the Company's unaudited Condensed Consolidated Statements of Operations. As of September 30, 2022, the fair value of the earnout was $20.6 million, which is recognized in "Accrued expenses and other current liabilities" on the Company's unaudited Condensed Consolidated Balance Sheets. In addition, a portion of the earnout due in April 2023 is considered post-acquisition compensation expense and will be accrued throughout the earnout period within "General and administrative expenses" on the Company's unaudited Condensed Consolidated Statements of Operations. As of September 30, 2022, $0.4 million is included in "Accrued expenses and other current liabilities" on the Company's unaudited Condensed Consolidated Balance Sheets.

(Unaudited) (in millions, except share, unit and per unit amounts)

The following table summarizes the fair value assigned to the assets acquired and liabilities assumed at the acquisition date. These amounts reflect various preliminary fair value estimates and assumptions, and are subject to change within the measurement period as valuations are finalized. The primary areas of preliminary purchase price allocation subject to change relate to the valuation of contingent consideration, accrued expenses and other current liabilities assumed, and residual goodwill.

Prepaid expenses and other current assets (a)	$	4.8
Other intangible assets		26.0
Goodwill (b)		89.4
Accrued expenses and other current liabilities (a)		(4.9)
Deferred revenue		(2.0)
Deferred tax liability		(6.4)
Net assets acquired	$	106.9

(a) Includes $4.8 million of crypto settlement assets and liabilities. See the disclosure under "Accounting Pronouncements Adopted" in Note 1 for further information.

(b) Goodwill is not deductible for tax purposes.

In the three and nine months ended September 30, 2022, the Company incurred expenses in connection with the acquisition of The Giving Block of $0.1 million and $2.3 million, respectively. These expenses are included in "Professional fees" in the Company's unaudited Condensed Consolidated Statements of Operations.

The fair values of intangible assets were estimated using inputs classified as Level 3 under the income approach using either the relief-from-royalty method (developed technology and trade name), the with or without method (donor relationships) or the multi-period excess earnings method (customer relationships). The contingent liability arising from the expected earnout payment included in purchase consideration was measured on the acquisition date using a Monte Carlo simulation in a risk-neutral framework, calibrated to Management's revenue forecasts. The transaction was not taxable for income tax purposes. The weighted average life of developed technology, the trade name, donor relationships and customer relationships is 8 years, 15 years, 5 years and 15 years, respectively. The goodwill arising from the acquisition largely consisted of revenue synergies associated with a larger total addressable market and the ability to cross-sell existing customers, new customers and technology capabilities.

The acquisition of The Giving Block did not have a material impact on the Company's unaudited condensed consolidated financial statements. Accordingly, revenue and expenses related to the acquisition and pro forma financial information have not been presented.

Postec

On September 1, 2021, the Company acquired Postec, Inc. ("Postec") by acquiring 100% of its membership interests for $14.3 million in cash, net of cash acquired. The purchase was funded with cash on hand. This acquisition enables the boarding of the vendor's customers on the Company's end-to-end acquiring solution and empowers the Company's distribution partners to sign the vendor's customer accounts and leverage the combined expertise to handle all aspects of installation, service, and support, similar to the hospitality technology vendor acquired in October 2020.

Pending Finaro Acquisition

On March 1, 2022, the Company entered into a definitive agreement to acquire Credorax, Inc. d/b/a Finaro ("Finaro") for $200.0 million in cash on hand, 6,439,316 shares of the Company's Class A common stock with a value of approximately $ 325.0 million as of March 1, 2022, determined by the volume weighted average price for the thirty trading days preceding the date of the agreement, and a performance-based earnout of up to $50.0 million in the Company's Class A common stock. Consummation of the merger is subject to regulatory approvals, which the Company expects to receive by the first quarter of 2023. Finaro is a cross-border eCommerce platform and bank specializing in solving complex payment problems for multi-national merchants that the Company believes will accelerate its growth in international markets. In the three and nine months ended September 30, 2022, the Company incurred expenses in connection with the Finaro acquisition of $2.7 million and $7.4 million, respectively. These expenses are included in "Professional fees" in the Company's unaudited Condensed Consolidated Statements of Operations.

(Unaudited) (in millions, except share, unit and per unit amounts)

4. Revenue

ASC 606, Revenue from Contracts with Customers ("ASC 606")

Under ASC 606, the Company has three separate performance obligations under its recurring software as a service agreements ("SaaS") arrangements for point-of-sale systems provided to merchants: (1) point-of-sale software, (2) lease of hardware and (3) other support services.

TSYS outage

On August 21, 2021, Total System Services, Inc. ("TSYS"), a Global Payments company and an important vendor to the Company, experienced a significant platform outage that resulted in the disruption of payment processing for the Company's merchants ("TSYS outage"). TSYS is utilized by many major credit card issuers and payment processors, which meant the impact of the outage was felt by many card-accepting merchants and cardholders across the nation. In response to the TSYS outage, the Company distributed payments to both merchants and partners in order to alleviate the impact of the outage on their businesses. The following paragraphs describe how these payments are reflected in the Company's condensed consolidated financial statements.

In the third quarter of 2021, the Company distributed $22.4 million in payments to its merchants to approximate the lost revenues they experienced as a result of the TSYS outage. Under ASC 606, these payments were recorded as contra revenue, which is reflected as a reduction of "Gross revenue" in the Company's unaudited Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2021.

In the third quarter of 2021, the Company also distributed $2.3 million in payments to its partners to approximate their lost revenues and compensate them for the additional support required from them to manage the outage. Consistent with the treatment of the Company's payments to its partners in the normal course of business, these payments are reflected in "Cost of sales" in the Company's unaudited Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2021.

Disaggregated Revenue

Based on similar operational characteristics, the Company's revenue from contracts with customers is disaggregated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Payments-based revenue (a)	$ 509.0	$ 346.9	$ 1,354.4	$ 887.6
Subscription and other revenues	38.3	30.9	101.5	80.5
Total	$ 547.3	$ 377.8	$ 1,455.9	$ 968.1

(a) For the three and nine months ended September 30, 2021, payments-based revenue includes nonrecurring payments of $ 22.4 million the Company made to merchants related to the TSYS outage, which are recorded as contra revenue and reflected as a reduction of payments-based revenue.

Based on similar economic characteristics, the Company's revenue from contracts with customers is disaggregated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Over-time revenue (a)	$ 531.9	$ 366.9	$ 1,418.9	$ 938.2
Point-in-time revenue	15.4	10.9	37.0	29.9
Total	$ 547.3	$ 377.8	$ 1,455.9	$ 968.1

(a) For the three and nine months ended September 30, 2021, over-time revenue includes nonrecurring payments of $ 22.4 million the Company made to merchants related to the TSYS outage, which are recorded as contra revenue and reflected as a reduction of over-time revenue.

(Unaudited) (in millions, except share, unit and per unit amounts)

Contract Assets

Contract assets of $0.3 million and $0.3 million as of September 30, 2022 and December 31, 2021, respectively, are included within "Prepaid expenses and other current assets" on the Company's unaudited Condensed Consolidated Balance Sheets, and contract assets of $0.5 million as of September 30, 2022 are included within "Other noncurrent assets" on the Company's unaudited Condensed Consolidated Balance Sheets. There was no allowance for contract assets as of September 30, 2022 and December 31, 2021.

Contract Liabilities

The Company charges merchants for various post-contract license support/service fees and annual regulatory compliance fees. These fees typically relate to a period of one year. The Company recognizes the revenue on a straight-line basis over its respective period. As of September 30, 2022 and December 31, 2021, the Company had deferred revenue of $23.6 million and $17.4 million, respectively. The change in the contract liabilities was primarily the result of a timing difference between payment from the customer and the Company's satisfaction of each performance obligation.

The following reflects the amounts the Company recognized as annual service fees and regulatory compliance fees within "Gross revenue" in the Company's unaudited Condensed Consolidated Statements of Operations and the amount of such fees that was included in deferred revenue at the beginning of the respective period:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Annual service fees and regulatory compliance fees	$ 11.3	$ 8.8	$ 30.9	$ 18.9
Amount of these fees included in deferred revenue at beginning of period	7.4	4.4	10.8	4.4

Accounts Receivable

The change in the Company's allowance for doubtful accounts was as follows:

	September 30, 2022	September 30, 2021
Beginning balance	$ 8.0	$ 5.7
Additions to expense (a)	5.9	10.3
Write-offs, net of recoveries and other adjustments	0.8	(2.6)
Ending balance	$ 14.7	$ 13.4

(a) For the nine months ended September 30, 2021, includes a $ 5.5 million allowance on chargebacks from a single merchant, which is included in "Cost of sales" on the unaudited Condensed Consolidated Statements of Operations.

5. Goodwill

The changes in the carrying amount of goodwill were as follows:

Balance at December 31, 2021	$ 537.7
The Giving Block Acquisition (Note 3)	89.4
Online Payments Group Acquisition (Note 3)	83.0
Restaurant Technology Partner Acquisitions (Note 3)	67.2
Balance at September 30, 2022	$ 777.3

(Unaudited) (in millions, except share, unit and per unit amounts)

6. Other Intangible Assets, Net

Other intangible assets, net consisted of the following:

	Weighted Average Amortization Period (in years)	September 30, 2022		
		Carrying Value	Accumulated Amortization	Net Carrying Value
Merchant relationships	11	$ 143.5	$ (31.3)	$ 112.2
Acquired technology	9	128.8	(64.9)	63.9
Trademarks and trade names	13	27.2	(3.0)	24.2
Capitalized software development costs	3	71.6	(15.2)	56.4
Residual commission buyouts (a)	3	327.5	(22.5)	305.0
Total other intangible assets, net		$ 698.6	$ (136.9)	$ 561.7

(a) During the three and nine months ended September 30, 2022, the Company completed $298.8 million and $311.7 million, respectively, of residual commission buyouts with certain third-party distribution partners, pursuant to which the Company acquired their ongoing merchant relationships that subscribe to the Company's end-to-end payments platform. Included in this amount are $298.5 million in residual commission buyouts executed under the Company's mass strategic buyout program completed in the three and nine months ended September 30, 2022 in support of the Company's strategic initiative to insource our sales distribution network. Total consideration for the residual commission buyouts was comprised of a combination of cash, shares of the Company's Class A common stock, and contingent liability earnouts. Contingent payments included in the residual commission buyouts as of September 30, 2022 are $8.6 million, of which $5.6 million are related to residual commission buyouts executed under the mass strategic buyout program which are estimated based on analysis of historical outcomes for prior similar initiatives. The maximum contingent consideration for residual buyout commissions executed under the Company's mass strategic buyout program is $22.5 million.

	Weighted Average Amortization Period (in years)	December 31, 2021		
		Carrying Value	Accumulated Amortization	Net Carrying Value
Merchant relationships	8	$ 200.1	$ (133.7)	$ 66.4
Acquired technology	9	113.2	(54.9)	58.3
Trademarks and trade names	18	20.3	(3.8)	16.5
Capitalized software development costs	4	42.6	(9.1)	33.5
Residual commission buyouts (a)	3	20.3	(6.5)	13.8
Total other intangible assets, net		$ 396.5	$ (208.0)	$ 188.5

(a) Residual commission buyouts include contingent payments of $4.2 million as of December 31, 2021.

As of September 30, 2022, the estimated amortization expense for other intangible assets for each of the five succeeding years and thereafter is as follows:

2022 (remaining three months)	$ 41.3
2023	161.6
2024	156.1
2025	101.7
2026	25.2
Thereafter	75.8
Total	$ 561.7

Amounts charged to expense in the Company's unaudited Condensed Consolidated Statements of Operations for amortization of acquired other intangible assets were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Depreciation and amortization expense	$ 19.4	$ 8.2	$ 37.1	$ 27.6
Cost of sales	3.3	3.2	9.9	9.5
Total	$ 22.7	$ 11.4	$ 47.0	$ 37.1

(Unaudited) (in millions, except share, unit and per unit amounts)

Amounts charged to expense in the Company's unaudited Condensed Consolidated Statements of Operations for amortization of non-acquired other intangible assets were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Depreciation and amortization expense	$ 0.1	$ —	$ 0.1	$ 0.1
Cost of sales	3.7	1.7	8.8	4.6
Total	$ 3.8	$ 1.7	$ 8.9	$ 4.7

7. Capitalized Customer Acquisition Costs, Net

Capitalized customer acquisition costs, net were $35.2 million and $35.1 million at September 30, 2022 and December 31, 2021, respectively, consisting of upfront processing bonuses with a gross carrying value of $73.2 million and $69.1 million less accumulated amortization of $38.0 million and $34.0 million at September 30, 2022 and December 31, 2021, respectively.

Capitalized customer acquisition costs had a weighted average amortization period ofthree years at both September 30, 2022 and December 31, 2021. Amortization expense for capitalized customer acquisition costs was $6.6 million and $19.3 million for the three and nine months ended September 30, 2022, respectively, and $5.4 million and $15.5 million for the three and nine months ended September 30, 2021, respectively, and is included in "Cost of sales" in the Company's unaudited Condensed Consolidated Statements of Operations.

As of September 30, 2022, the estimated future amortization expense for capitalized customer acquisition costs is as follows:

2022 (remaining three months)	$ 5.8
2023	18.0
2024	9.7
2025	1.7
Total	$ 35.2

8. Equipment for Lease, Net

Equipment for lease, net consisted of the following:

	Weighted Average Depreciation Period *(in years)*	September 30, 2022		
		Carrying Value	Accumulated Depreciation	Net Carrying Value
Equipment under lease	3	$ 95.3	$ (37.9)	$ 57.4
Equipment held for lease (a)	N/A	13.1	—	13.1
Total equipment for lease		$ 108.4	$ (37.9)	$ 70.5

	Weighted Average Depreciation Period *(in years)*	December 31, 2021		
		Carrying Value	Accumulated Depreciation	Net Carrying Value
Equipment under lease	3	$ 72.9	$ (24.2)	$ 48.7
Equipment held for lease (a)	N/A	9.7	—	9.7
Total equipment for lease, net		$ 82.6	$ (24.2)	$ 58.4

(a) Represents equipment that was not yet initially deployed to a merchant and, accordingly, is not being depreciated.

The amount charged to "Depreciation and amortization expense" in the Company's unaudited Condensed Consolidated Statements of Operations for depreciation of equipment under lease was $8.2 million and $22.6 million for the three and nine months ended September 30, 2022, respectively, and $5.8 million and $15.4 million for the three and nine months ended September 30, 2021, respectively.

(Unaudited) (in millions, except share, unit and per unit amounts)

9. Property, Plant and Equipment, Net

Property, plant and equipment, net consisted of the following:

	September 30, 2022	December 31, 2021
Equipment	$ 16.2	$ 10.5
Capitalized software	4.2	5.1
Leasehold improvements	9.0	9.1
Furniture and fixtures	1.5	2.0
Vehicles	0.5	0.3
Total property, plant and equipment, gross	31.4	27.0
Less: Accumulated depreciation	(10.0)	(8.6)
Total property, plant and equipment, net	$ 21.4	$ 18.4

Amounts charged to expense in the Company's unaudited Condensed Consolidated Statements of Operations for depreciation of property, plant and equipment were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Depreciation and amortization expense	$ 1.2	$ 1.0	$ 3.1	$ 2.8
Cost of sales	0.1	0.5	0.7	1.3
Total depreciation expense	$ 1.3	$ 1.5	$ 3.8	$ 4.1

10. Debt

The Company's outstanding debt consisted of the following:

	Maturity	Effective Interest Rate	September 30, 2022	December 31, 2021
Convertible Notes due 2025 (2025 Convertible Notes)	December 15, 2025	0.49%	$ 690.0	$ 690.0
Convertible Notes due 2027 (2027 Convertible Notes)	August 1, 2027	0.90%	632.5	632.5
Senior Notes due 2026 (2026 Senior Notes)	November 1, 2026	5.13%	450.0	450.0
Total borrowings			1,772.5	1,772.5
Less: Unamortized capitalized financing fees			(32.7)	(34.0)
Total long-term debt			$ 1,739.8	$ 1,738.5

Amortization of capitalized financing fees is included in "Interest expense" in the Company's unaudited Condensed Consolidated Statements of Operations. Amortization expense for capitalized financing fees was $2.1 million and $6.0 million for the three and nine months ended September 30, 2022, respectively, and $1.7 million and $4.1 million for the three and nine months ended September 30, 2021, respectively.

Future principal payments

As of September 30, 2022, future principal payments associated with the Company's long-term debt were as follows:

2025	$ 690.0
2026	450.0
2027	632.5
Total	$ 1,772.5

(Unaudited) (in millions, except share, unit and per unit amounts)

Convertible Notes due 2025

The net carrying amount of the Convertible Senior Notes due 2025 (“2025 Convertible Notes”) was as follows:

	September 30, 2022	December 31, 2021
Principal outstanding	$ 690.0	$ 690.0
Unamortized debt issuance costs	(10.5)	(13.0)
Net carrying value	$ 679.5	$ 677.0

Convertible Notes due 2027

The net carrying amount of the 0.50% Convertible Senior Notes due 2027 (“2027 Convertible Notes”) was as follows:

	September 30, 2022	December 31, 2021
Principal outstanding	$ 632.5	$ 632.5
Unamortized debt issuance costs	(12.2)	(13.8)
Net carrying value	$ 620.3	$ 618.7

Senior Notes due 2026

In March 2022, Shift4 Payments, LLC (the “Issuer”) and Shift4 Payments Finance Sub, Inc. (the “Co-Issuer” and together with the Issuer, the “Issuers”), completed a consent solicitation to amend the indenture governing the $450.0 million principal amount of 4.625% Senior Notes due 2026 (“2026 Senior Notes”) to allow for the repurchase of capital stock as part of the Market Capitalization exception that had been included. In connection with the solicitation, the Company paid $4.5 million of consent payments to note holders, which was capitalized and recognized in the Company’s unaudited Condensed Consolidated Balance Sheets as a reduction of long-term debt, and incurred fees of $1.4 million, which were recorded to “Transaction-related expenses” in the unaudited Condensed Consolidated Statements of Operations in the nine months ended September 30, 2022.

Revolving Credit Facility

Borrowing capacity on the Company’s Revolving Credit Facility under the First Lien Credit Agreement (“Revolving Credit Facility”) was $99.5 million as of September 30, 2022, net of a $0.5 million letter of credit.

Restrictions and Covenants

The 2025 Convertible Notes, 2026 Senior Notes, 2027 Convertible Notes (collectively, the “Notes”) and Revolving Credit Facility include certain restrictions on the ability of Shift4 Payments, LLC to make loans, advances, or pay dividends to Shift4 Payments, Inc.

At September 30, 2022 and December 31, 2021, the Company was in compliance with all financial covenants.

Other than as provided above, there are no significant changes to the information disclosed in the 2021 Form 10-K/A.

(Unaudited) (in millions, except share, unit and per unit amounts)

11. Other Consolidated Balance Sheet Components

Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following:

	September 30, 2022	December 31, 2021
Prepaid insurance	$ 4.4	$ 3.3
Taxes receivable	1.7	1.8
Crypto settlement assets (a)	1.7	—
Prepaid merchant signing bonuses (b)	0.3	0.7
Other prepaid expenses (c)	10.5	6.1
Contract assets	0.3	0.3
Other current assets	1.0	0.5
Total prepaid expenses and other current assets	$ 19.9	$ 12.7

(a) See the disclosure within "Accounting Pronouncements Adopted" in Note 1 for information regarding the Company's crypto settlement assets.

(b) Represents deal bonuses paid to merchants to obtain processing contracts, which are amortized over their contractual term of one year.

(c) Includes prepayments related to information technology, rent, tradeshows and conferences.

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

	September 30, 2022	December 31, 2021
Contingent liability earnouts for acquisitions (a)	$ 45.2	$ —
Contingent liability earnouts for residual commission buyouts	7.6	0.9
Residuals payable	7.2	13.1
Accrued interest	9.3	4.8
Accrued payroll	7.3	15.3
Taxes payable	2.9	1.6
Deferred employer social security tax pursuant to the CARES Act	1.6	1.6
Crypto settlement liabilities (b)	1.7	—
Restructuring accrual (c)	0.3	1.5
Other current liabilities	3.5	4.1
Total accrued expenses and other current liabilities	$ 86.6	$ 42.9

(a) Consists of $44.8 million of estimated contingent consideration and $ 0.4 million of post-acquisition compensation expense as of September 30, 2022. Primarily represents the fair value of contingent liability earnouts for The Giving Block and Online Payments Group. See Note 3 for more information.

(b) See the disclosure within "Accounting Pronouncements Adopted" in Note 1 for information regarding the Company's crypto settlement liabilities.

(c) The Company made severance payments of $ 1.2 million for the nine months ended September 30, 2022. The restructuring accrual of $ 0.3 million as of September 30, 2022 is expected to be paid in 2022.

12. Fair Value Measurement

U.S. GAAP defines a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted process in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The Company determines the fair values of its assets and liabilities that are recognized or disclosed at fair value in accordance with the hierarchy described below. The following three levels of inputs may be used to measure fair value:

- Level 1—Quoted prices in active markets for identical assets or liabilities;
- Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include items where the determination of fair value requires significant management judgment or estimation.

The Company makes recurring fair value measurements of contingent liabilities arising from certain acquisitions and residual commission buyouts using Level 3 unobservable inputs. Contingent liabilities for residual commission buyouts are expected earnout payments related to the number of existing point-of-sale merchants that convert to full acquiring merchants. Contingent liabilities included in the purchase price of an acquisition are based on achievement of specified performance metrics as defined in the purchase agreement.

In conjunction with the acquisition of Online Payments Group on September 29, 2022, the Company entered into a contingent consideration agreement that requires the Company to pay up to $60.0 million if key customers of Online Payments Group contribute a certain amount of revenue for the twelve months ending September 28, 2023 and the twenty-four months ending September 28, 2024. The fair value of the contingent consideration was estimated using a Monte-Carlo simulation model, which included significant unobservable Level 3 inputs, such as projected revenues over the earnout period along with estimates for revenue volatility of 36.0% and the discount rate of 8.1% as of September 30, 2022. See Note 3 for more information on the terms of the earnout agreement. The estimated fair value of the contingent consideration of $22.0 million as of September 30, 2022 is recognized in “Accrued expenses and other current liabilities” on the Company’s unaudited Condensed Consolidated Balance Sheets.

In conjunction with the acquisition of The Giving Block on February 28, 2022, the Company entered into a contingent consideration agreement that requires the Company to pay up to $246.0 million if certain revenue thresholds of the acquired business are achieved for the twelve months ending February 28, 2023. The fair value of the contingent consideration was estimated using a Monte-Carlo simulation model, which included significant unobservable Level 3 inputs, such as projected revenues over the earnout period along with estimates for revenue volatility of 18.6% and 16.7% as of September 30, 2022 and February 28, 2022, respectively, and the discount rate of 9.4% and 7.1% as of September 30, 2022 and February 28, 2022, respectively. Changes in the volatility and discount rate were due to broader market conditions. See Note 3 for more information on the terms of the earnout agreement. The Company recognized fair value adjustments to the contingent liability for The Giving Block of $(36.9) million and $(37.2) million for the three and nine months ended September 30, 2022, respectively, primarily due to a decrease in projected revenues over the earnout period. The fair value adjustments are recognized in “Revaluation of contingent liabilities” on the Company’s unaudited Condensed Consolidated Statements of Operations. The estimated fair value of the contingent consideration of $20.6 million as of September 30, 2022 is recognized in “Accrued expenses and other current liabilities” on the Company’s unaudited Condensed Consolidated Balance Sheets.

In conjunction with the acquisitions of certain restaurant technology partners, the Company entered into contingent consideration agreements that require the Company to pay up to an aggregate of $4.0 million. The fair values of the contingent consideration were estimated using Monte-Carlo simulation models, which included significant unobservable Level 3 inputs, such as projected performance over the earnout periods and discount rates ranging from 4.4% to 5.1% as of September 30, 2022. See Note 3 for more information on the terms of the earnout agreements. The estimated fair value of the contingent consideration related to purchase consideration of $2.2 million as of September 30, 2022 is recognized in “Accrued expenses and other current liabilities” on the Company’s unaudited Condensed Consolidated Balance Sheets.

(Unaudited) (in millions, except share, unit and per unit amounts)

The table below provides a reconciliation of the beginning and ending balances for the Level 3 contingent liabilities:

	Nine Months Ended September 30, 2022		
	Contingent Liabilities for Acquisitions	Contingent Liabilities for Residual Commission Buyouts	Total Contingent Liabilities
Balance at beginning of period	$ —	$ 0.9	$ 0.9
Contingent consideration for acquisitions (a)	82.0	—	82.0
Contingent consideration for residual commission buyouts	—	7.3	7.3
Cash payments made for contingent liabilities related to earnout payments	—	(0.4)	(0.4)
Write-off of contingent liabilities that did not achieve earnout	—	(0.2)	(0.2)
Fair value adjustments	(37.2)	—	(37.2)
Balance at end of period	$ 44.8	$ 7.6	$ 52.4

(a) Includes $22.0 million for the acquisition of Online Payments Group, $ 57.8 million for the acquisition of The Giving Block, and $ 2.2 million for the acquisitions of certain restaurant technology partners.

Fair value adjustments are recorded within “Revaluation of contingent liabilities” in the Company’s unaudited Condensed Consolidated Statements of Operations. There were no transfers into or out of Level 3 during the nine months ended September 30, 2022.

The estimated fair value of the Company’s outstanding debt using quoted prices from over-the-counter markets, considered Level 2 inputs, was as follows:

	September 30, 2022		December 31, 2021	
	Carrying Value (a)	Fair Value	Carrying Value (a)	Fair Value
2025 Convertible Notes	$ 679.5	$ 607.2	$ 677.0	$ 735.4
2027 Convertible Notes	620.3	485.7	618.7	556.5
2026 Senior Notes	440.9	408.2	443.9	465.7
Total	$ 1,740.7	$ 1,501.1	$ 1,739.6	$ 1,757.6

(a) Carrying value excludes unamortized debt issuance costs related to the Revolving Credit Facility of $ 0.9 million and $ 1.1 million as of September 30, 2022 and December 31, 2021, respectively.

The estimated fair value of the Company’s crypto settlement assets and crypto settlement liabilities was $1.7 million as of September 30, 2022. There are no active markets for the Company’s crypto settlement liabilities and the corresponding crypto settlement assets. Accordingly, the Company has valued the assets and liabilities using quoted prices from active cryptocurrency exchanges for the underlying crypto assets, considered Level 2 inputs. See Note 1 for more information on the Company’s crypto settlement assets and crypto settlement liabilities.

Other financial instruments not measured at fair value on the Company’s unaudited Condensed Consolidated Balance Sheets at September 30, 2022 and December 31, 2021 include cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, other noncurrent assets, accounts payable, accrued expenses and other current liabilities, and other noncurrent liabilities, as their estimated fair values reasonably approximate their carrying value as reported on the Company’s unaudited Condensed Consolidated Balance Sheets.

13. Income Taxes

The Company holds an economic interest in Shift4 Payments, LLC and consolidates its financial position and results. The remaining ownership of Shift4 Payments, LLC not held by the Company is considered a noncontrolling interest. Shift4 Payments, LLC is treated as a partnership for income tax reporting and its members, including the Company, are liable for federal, state, and local income taxes based on their share of the LLC's taxable income. In addition, Shift4 Payments, LLC wholly owns various U.S. and foreign subsidiaries which are taxed as corporations for tax reporting. Taxable income or loss from these subsidiaries is not passed through to Shift4 Payments, LLC. Instead, such taxable income or loss is taxed at the corporate level subject to the prevailing corporate tax rates.

The Company has assessed the realizability of the net deferred tax assets and in that analysis has considered the relevant positive and negative evidence available to determine whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The Company has recorded a full valuation allowance against the deferred tax assets at Shift4 Payments, Inc. as of September 30, 2022, which will be maintained until there is sufficient evidence to support the reversal of all or some portion of these allowances.

The Company's effective tax rate was 2.5% and (9.0)% for the three and nine months ended September 30, 2022, respectively. The Company's effective tax rate was 7.8% and (6.4)% for the three and nine months ended September 30, 2021, respectively. The effective tax rate for the three and nine months ended September 30, 2022 was different than the U.S. federal statutory income tax rate of 21% primarily due to the income allocated to the noncontrolling interest, the full valuation allowances on Shift4 Payments, Inc. and certain corporate subsidiaries in the U.S., and the nontaxable adjustment related to the revaluation of the contingent liability of The Giving Block. In addition, the nine months ended September 30, 2022 also includes the impact of a $6.4 million income tax benefit related to the valuation allowance release due to acquired deferred tax liabilities from The Giving Block. The income tax expense for the three months ended September 30, 2021 was different than the U.S. federal statutory income tax rate of 21% primarily due to the loss allocated to the noncontrolling interest and the full valuation allowances on Shift4 Payments, Inc. and certain corporate subsidiaries in the U.S.. The income tax benefit for the nine months ended September 30, 2021 was different than the U.S. federal statutory income tax rate of 21% primarily due to the loss allocated to the noncontrolling interest, changes in the valuation allowances on Shift4 Payments, Inc. and certain corporate subsidiaries in the U.S., and the tax windfall related to vested equity-based compensation awards.

Uncertain Tax Positions

The effects of uncertain tax positions are recognized in the condensed consolidated financial statements if these positions meet a "more-likely-than-not" threshold. For those uncertain tax positions that are recognized in the condensed consolidated financial statements, liabilities are established to reflect the portion of those positions it cannot conclude "more-likely-than-not" to be realized upon ultimate settlement. The Company's policy is to recognize interest and penalties related to unrecognized tax benefits within "Income tax (provision) benefit" in the Company's Condensed Consolidated Statements of Operations. Accrued interest and penalties, if any, are included within "Deferred tax liability" in the Company's Condensed Consolidated Balance Sheets. As of September 30, 2022, $5.0 million of uncertain tax positions were recognized within "Other noncurrent liabilities" in the Company's Condensed Consolidated Balance Sheets, which were recognized in conjunction with acquisitions. As of December 31, 2021, there were no uncertain tax positions recognized in the condensed consolidated financial statements.

Tax Receivable Agreement

The Company expects to obtain an increase in its share of the tax basis in the net assets of Shift4 Payments, LLC as LLC Interests are redeemed from or exchanged by Rook, at the option of the Company, determined solely by the Company's independent directors. The Company intends to treat any redemptions and exchanges of LLC Interests as direct purchases of LLC Interests for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that it would otherwise pay in the future to various tax authorities. In connection with the Company's initial public offering in June 2020 and certain organizational transactions that the Company effected in connection with it, the Company entered into the Tax Receivable Agreement ("TRA") with the Continuing Equity Owners.

The TRA provides for the payment by Shift4 Payments, Inc. of 85% of the amount of any tax benefits the Company actually realizes, or in some cases is deemed to realize, as a result of (i) increases in the Company's share of the tax basis in the net assets of Shift4 Payments, LLC resulting from any redemptions or exchanges of LLC Interests, (ii) tax basis increases attributable to payments made under the TRA, and (iii) deductions attributable to imputed interest pursuant to the TRA. The Company expects to benefit from the remaining 15% of any of cash savings that it realizes.

During the three months ended September 30, 2022, the Company recognized a $1.1 million TRA liability after concluding it was probable that, based on estimates of future taxable income, the Company will realize tax benefits associated with the TRA in the 2022 tax year. The liability is recognized in "Other noncurrent liabilities" on the Company's unaudited Condensed Consolidated Balance Sheets. The Company has not recognized the remaining $247.2 million liability under the TRA after concluding it was not probable that the Company will be able to realize the remaining tax benefits based on estimates of future taxable income. No payments were made to the Continuing Equity Owners pursuant to the TRA during the three and nine months ended September 30, 2022. The estimation of liability under the tax receivable agreement is by its nature imprecise and subject to significant assumptions regarding the amount, character, and timing of the taxable income of Shift4 Payments, Inc. in the future. If the valuation allowance recorded against the deferred tax assets applicable to the tax attributes referenced above is released in a future period, the remaining TRA liability may be considered probable at that time and recorded within earnings.

If Rook were to exchange all of its LLC Units, the Company does not expect the deferred tax asset or TRA liability to vary substantially from the amounts reported in the 2021 Form 10-K/A. The actual amount of deferred tax assets and related liabilities are impacted by the timing of the exchanges, the valuation of Shift4 Corporation, the price of the Company's shares of Class A common stock at the time of the exchange, and the tax rates then in effect.

(Unaudited) (in millions, except share, unit and per unit amounts)

14. Lease Agreements

As Lessee

The Company has operating leases primarily for office space andequipment. The following amounts were recorded on the Company's unaudited Condensed Consolidated Balance Sheets relating to operating leases:

	September 30, 2022	December 31, 2021
Assets		
Right-of-use assets	$ 16.7	$ 18.5
Liabilities		
Current lease liabilities	$ 4.6	$ 4.8
Noncurrent lease liabilities	15.9	17.9
Total lease liabilities	$ 20.5	$ 22.7

The expected future payments related to leases with initial non-cancellable lease terms in excess of one year at September 30, 2022 were as follows:

2022 (remaining three months)	$ 1.3
2023	5.1
2024	4.7
2025	3.7
2026	3.0
Thereafter	4.5
Total lease payments	22.3
Less: Interest	(1.8)
Present value of minimum payments	$ 20.5

Total operating lease expense, which is included in "General and administrative expenses" in the Company's unaudited Condensed Consolidated Statements of Operations, was $1.1 million and $3.9 million for the three and nine months ended September 30, 2022, respectively, and $1.5 million and $4.4 million for the three and nine months ended September 30, 2021, respectively.

Supplemental balance sheet information related to leases was as follows:

	September 30, 2022	December 31, 2021
Weighted average remaining lease term (in years):	5.1	5.6
Weighted average discount rate	3.2 %	3.2 %

Operating lease payments included in operating cash flows were$4.3 million and $4.6 million for the nine months ended September 30, 2022 and 2021, respectively.

As Lessor

The Company provides hardware, including terminals and point-of-sale equipment, to its merchants under operating leases. The Company's operating leases generally include options to extend the contract for successive one-year periods. Extension options are not included in the determination of lease income unless, at lease inception, it is reasonably certain that the option will be exercised. The Company's operating leases do not generally include purchase options.

Lease payments received are recognized as income on a straight-line basis over the term of the agreement in accordance with ASC 606 and classified as gross revenue on the Company's unaudited Condensed Consolidated Statements of Operations.

Total lease income for the three and nine months ended September 30, 2022 was $4.5 million and $13.2 million, respectively, and $4.3 million and $12.5 million for the three and nine months ended September 30, 2021, respectively. Variable lease income was not material for the three and nine months ended September 30, 2022 or 2021.

The Company expects to receive future minimum lease payments for hardware provided under the Company's SaaS agreements of $10.4 million from October 1, 2022 through September 30, 2023. See Note 4 and Note 8 for more information on the accounting for these operating leases.

15. Related Party Transactions

The Company has a service agreement with Jared Isaacman, the Company's Chief Executive Officer and founder ("Founder"), including access to aircrafts and a property. Total expense for this service, which is included in "General and administrative expenses" in the Company's unaudited Condensed Consolidated Statements of Operations, was $0.2 million and $0.7 million for the three and nine months ended both September 30, 2022 and 2021, respectively. There were no amounts outstanding at September 30, 2022 or December 31, 2021.

In the third and fourth quarters of 2021, the Company incurred $1.1 million in costs associated with a proposed Follow-on Offering that were reimbursable by Searchlight, which were included in "Accounts receivable, net" on the Company's unaudited Condensed Consolidated Balance Sheets as of December 31, 2021. There were no amounts outstanding at September 30, 2022. In addition, on May 24, 2022, Searchlight redeemed all of its remaining LLC Interests. As a result, Searchlight is no longer a Continuing Equity Owner or a related party of the Company as of May 24, 2022.

In February 2021, the Company accepted the transfer of the right to select a participant for one seat on board Inspiration4, the first all-civilian mission to space, from the Founder, who is also the commander of the mission. The right was transferred to the Company as a non-cash contribution and recorded at its estimated fair value of $2.1 million in "Additional paid-in capital" on the Company's unaudited Condensed Consolidated Balance Sheets and expensed within "Advertising and marketing" on the Company's unaudited Condensed Consolidated Statements of Operations in March 2021 when the participant was selected for the mission through a contest held by the Company.

In the fiscal year ended December 31, 2021, the Company incurred a significant amount of nonrecurring expenses to integrate, rebrand and promote 3dcart to Shift4Shop in conjunction with the Inspiration4 announcement. Certain expenses, totaling $0.9 million, were directly associated with the Inspiration4 mission and were reimbursable by the Founder. As of December 31, 2021, a $0.1 million receivable from the Founder was recorded as "Accounts receivable" on the Company's unaudited Condensed Consolidated Balance Sheets. There were no amounts outstanding at September 30, 2022.

In March 2021, the Founder, through a wholly-owned special purpose vehicle ("SPV"), entered into a variable prepaid forward contract ("VPF Contract") with an unaffiliated dealer ("Dealer"), covering approximately 2.0 million shares of the Company's Class A common stock. The VPF Contract is scheduled to settle on specified dates in February, March and April 2023, at which time the actual number of shares of the Company's Class A common stock to be delivered by the SPV will be determined based on the price of the Company's Class A common stock on such dates relative to the forward floor price of $73.19 per share and the forward cap price of $137.24 per share, with the aggregate number not to exceed approximately 2.0 million shares, which is the number of shares of Company's Class B common stock and LLC units pledged by Rook to secure its obligations under the contract. Subject to certain conditions, the SPV can also elect to settle the VPF Contract in cash and thereby retain full ownership of the pledged shares and units.

In September 2021, the Founder, through the SPV, entered into two VPF Contracts with a Dealer, one covering approximately 2.18 million shares of the Company's Class A common stock and the other covering approximately 2.26 million shares of the Company's Class A common stock. The VPF Contracts are both scheduled to settle on specified dates in June, July, August and September 2024, at which time the actual number of shares of the Company's Class A common stock to be delivered by the SPV will be determined based on the price of the Company's Class A common stock on such dates relative to the forward floor price of approximately $ 66.424 per share and the forward cap price of approximately $112.09 per share for the contract covering approximately 2.18 million shares of the Company's Class A common stock, and to the forward floor price of $66.424 per share and the forward cap price of approximately $120.39 per share for the contract covering approximately 2.26 million shares of the Company's Class A common stock, with the aggregate number not to exceed approximately 4.44 million shares, which is the aggregate number of shares of Company's Class B common stock and their associated common units of Shift4 Payments, LLC pledged by the SPV to secure its obligations under the contracts. Subject to certain conditions, the SPV can also elect to settle the VPF Contracts in cash and thereby retain full ownership of the pledged shares and units.

If Rook were to default on its obligations under the VPF Contracts and fail to cure such default, the Dealer would have the right to exchange the pledged Class B stock and LLC interests for an equal number of the Company's Class A common stock, and sell such Class A common stock to satisfy Rook's obligation.

In June 2022, the Company entered into a $3.6 million residual commission buyout agreement with a relative of the Founder, consisting of an initial payment of $2.5 million in cash and $0.6 million in shares of the Company's Class A common stock, and a contingent payment of $0.5 million in cash payable after 12 months, subject to certain conditions related to the performance of the acquired assets.

16. Commitments and Contingencies

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise, in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these, or other matters, may arise from time to time that may harm the Company's business. In August 2021, TSYS, a Global Payments company and an important vendor to the Company, experienced a significant platform outage resulting in a payment processing service disruption that lasted for several hours. TSYS is utilized by many major credit card issuers and payment processors, which meant the impact of the outage was felt by many card-accepting merchants and cardholders across the nation. The Company took steps to lessen the financial impact to its merchants and partners due to the TSYS outage and is seeking compensation through a variety of channels, including engaging with the responsible party.

The Company is currently not aware of any legal proceedings or claims that the Company believes will have a material adverse effect on its business, financial condition or operating results.

17. Stockholders' Equity

Stock Repurchases

On December 16, 2021, the Company's Board of Directors (the "Board") authorized a stock repurchase program (the "December 2021 Program"), pursuant to which the Company was authorized to repurchase up to $100.0 million of shares of its Class A common stock through December 31, 2022. On May 11, 2022, the Board authorized a stock repurchase program (the "May 2022 Program"), pursuant to which the Company was authorized to repurchase up to an additional $100.0 million of shares of its Class A common stock through December 31, 2022, and on June 15, 2022, the Board authorized a stock repurchase program (the "June 2022 Program" and, together with the December 2021 Program and the May 2022 Program, the "Programs"), pursuant to which the Company was authorized to repurchase up to an additional $50.0 million of shares of its Class A common stock through December 31, 2022.

Repurchases under the Programs may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases depending on market conditions and corporate needs. Open market repurchases will be structured to occur within the pricing and volume requirements of Rule 10b-18. The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares pursuant to the Programs.

The Programs do not obligate the Company to acquire any particular amount of common stock. The Programs may be extended, modified, suspended or discontinued at any time at the Company's discretion.

As of December 31, 2021, the Company had repurchased 378,475 shares of Class A common stock under the December 2021 Program for $21.1 million, including commissions paid, at an average price paid of $55.81 per share.

On May 24, 2022, Searchlight exchanged its shares of the Company's Class B and Class C common stock for an equal number of shares of Class A common stock, which Searchlight subsequently redeemed. During the nine months ended September 30, 2022, the Company repurchased 3,887,191 shares of Class A common stock under the Programs for $184.4 million, including commissions paid, at an average price paid of $47.40 per share. Included in these amounts during the nine months ended September 30, 2002 is the Company's repurchase of all 967,600 shares of Searchlight's Class A common stock for $43.1 million at an average price paid of $44.54 per share. As of September 30, 2022, approximately $44.5 million remained available for future purchases under the June 2022 Program.

Repurchased shares of common stock that have not been retired are recorded as "Treasury stock" on the Company's unaudited Condensed Consolidated Balance Sheets. Upon retirement, the Company allocates the value of treasury stock between Additional paid-in capital and Retained earnings. During the nine months ended September 30, 2022, the Company retired 4,265,666 shares of common stock it had repurchased under the Programs. There were no shares of treasury stock outstanding as of September 30, 2022.

(Unaudited) (in millions, except share, unit and per unit amounts)

18. Noncontrolling Interests

Shift4 Payments, Inc. is the sole managing member of Shift4 Payments, LLC, and consolidates the financial results of Shift4 Payments, LLC. The noncontrolling interests balance represents the economic interest in Shift4 Payments, LLC held by the Continuing Equity Owners. On May 24, 2022, Searchlight redeemed all of its outstanding LLC Interests and is therefore no longer a Continuing Equity Owner or a component of noncontrolling interests as of that date. The following table summarizes the ownership of LLC Interests in Shift4 Payments, LLC:

	September 30, 2022		December 31, 2021	
	LLC Interests	Ownership %	LLC Interests	Ownership %
Shift4 Payments, Inc.	57,004,236	68.8 %	56,449,833	68.2 %
Continuing Equity Owners	25,829,016	31.2 %	26,272,654	31.8 %
Total	82,833,252	100.0 %	82,722,487	100.0 %

19. Equity-based Compensation

2020 Incentive Award Plan

In June 2020, the Company adopted the 2020 Incentive Award Plan ("2020 Plan"), which provides for the grant of stock options, restricted stock dividend equivalents, stock payments, restricted stock units ("RSUs"), performance restricted stock units ("PRSUs"), stock appreciation rights, and other stock or cash awards. A maximum of 418,973 shares of the Company's Class A common stock is available for issuance under the 2020 Plan. The number of shares available for issuance is subject to an annual increase on the first day of each year beginning in 2021 and ending in and including 2030, equal to the lesser of (1) 1% of the shares outstanding (on an as-converted basis, taking into account any and all securities convertible into, or exercisable, exchangeable or redeemable for, shares of Class A common stock (including LLC Interests of Shift4 Payments, LLC)) on the last day of the immediately preceding fiscal year and (2) such smaller number of shares as determined by the Board.

On April 28, 2022, the Board adopted, and on June 10, 2022, the Company's shareholders approved, the amendment and restatement of the Shift4 Payments, Inc. 2020 Incentive Award Plan (the "Restated Equity Plan"). The Restated Equity Plan (a) increased the number of shares of the Company's Class A common stock available for issuance under the Restated Equity Plan to a total of 7,500,000 shares, (b) increased the annual "evergreen" increase to the number of shares of the Company's Class A common stock available for issuance under the Restated Equity Plan from 1% of the shares outstanding to 2% of the shares outstanding, (c) limited the number of shares of the Company's Class A common stock that may be issued upon the exercise of incentive stock options to no more than 7,500,000 shares, and (d) extended the term of the Restated Equity Plan to ten years from the date it was adopted by the Board.

RSUs and PRSUs

RSUs represent the right to receive shares of the Company's Class A common stock at a specified date in the future.

The RSU activity for the nine months ended September 30, 2022 was as follows:

	Nine Months Ended September 30, 2022	
	Number of RSUs	Weighted Average Grant Date Fair Value
Unvested balance at beginning of period	2,402,694	$ 43.28
Granted (a)	1,142,405	45.20
Vested	(650,437)	30.18
Forfeited or cancelled	(195,174)	55.23
Unvested balance at end of period	2,699,488	$ 48.22

(a) Includes 157,330 RSUs not subject to continued service, which vested immediately in March 2022 and 16,422 RSUs issued in connection with The Giving Block acquisition, of which 9,347 RSUs vest in equal installments in December 2022, 2023 and 2024 and 7,075 RSUs which are not subject to continued service, and vested immediately in March 2022.

The grant date fair value of RSUs and PRSUs subject to continued service or those that vest immediately was determined based on the price of the Company's Class A common stock on the grant date.

The Company recognized equity-based compensation expense of $12.2 million and $38.4 million for the three and nine months ended September 30, 2022, respectively, and $6.3 million and $26.9 million for the three and nine months ended September 30, 2021, respectively. At September 30, 2022, the total unrecognized equity-based compensation expense related to outstanding RSUs and PRSUs was $102.1 million, which is expected to be recognized over a weighted-average period of3.18 years.

(Unaudited) (in millions, except share, unit and per unit amounts)

20. Basic and Diluted Net Income (Loss) per Share

Basic net income (loss) per share has been computed by dividing net income (loss) attributable to common shareholders by the weighted average number of shares of common stock outstanding for the same period. Shares issued during the period and shares reacquired during the period are weighted for the portion of the period in which the shares were outstanding. Diluted net income (loss) per share has been computed in a manner consistent with that of basic net income (loss) per share while giving effect to all shares of potentially dilutive common stock that were outstanding during the period. The following table presents the calculation of basic and diluted net income (loss) per share under the two-class method:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	$ 46.4	$ (13.8)	$ 48.2	$ (60.3)
Less: Net income (loss) attributable to noncontrolling interests	3.3	(4.6)	2.3	(21.5)
Net income (loss) attributable to Shift4 Payments, Inc.	43.1	(9.2)	45.9	(38.8)
Adjustment to net income (loss) attributable to common stockholders	—	(0.1)	—	(0.6)
Net income (loss) attributable to common stockholders	$ 43.1	$ (9.3)	$ 45.9	$ (39.4)
Numerator - allocation of net income (loss) attributable to common stockholders:				
Net income (loss) allocated to Class A common stock - basic	$ 40.2	$ (8.2)	$ 42.6	$ (33.5)
Reallocation of net income attributable to common stockholders from assumed conversion of LLC interests and assumed vesting of RSUs	4.1	—	3.2	—
Net income (loss) allocated to Class A common stock - diluted	$ 44.3	$ (8.2)	$ 45.8	$ (33.5)
Net income (loss) allocated to Class C common stock - basic	$ 2.9	$ (1.1)	$ 3.3	$ (5.9)
Reallocation of net income attributable to common stockholders from assumed conversion of LLC interests and assumed vesting of RSUs	(0.8)	—	(0.9)	—
Net income (loss) allocated to Class C common stock - diluted	$ 2.1	$ (1.1)	$ 2.4	$ (5.9)
Denominator:				
Weighted average shares of Class A common stock outstanding - basic	51,502,825	49,692,599	51,804,935	46,251,576
Effect of dilutive securities:				
LLC Interests	25,829,016	—	26,061,398	—
RSUs	469,505	—	613,208	—
Weighted average shares of Class A common stock outstanding - diluted	77,801,346	49,692,599	78,479,541	46,251,576
Weighted average shares of Class C common stock outstanding - basic and diluted	3,648,580	6,117,997	4,069,266	8,078,943
Net income (loss) per share - Basic:				
Class A common stock	$ 0.78	$ (0.17)	$ 0.82	$ (0.72)
Class C common stock	$ 0.78	$ (0.17)	$ 0.82	$ (0.72)
Net income (loss) per share - Diluted:				
Class A Common Stock	$ 0.57	$ (0.17)	$ 0.58	$ (0.72)
Class C Common Stock	$ 0.57	$ (0.17)	$ 0.58	$ (0.72)

(Unaudited) (in millions, except share, unit and per unit amounts)

The following were excluded from the calculation of diluted net income (loss) per share as the effect would be anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
LLC Interests that convert into potential Class A common shares	—	27,115,975	—	28,806,699
RSUs and performance RSUs - employee	912,248	1,712,790	912,248	1,712,790
RSUs - non-employee directors	11,884	12,942	11,884	12,942
2025 Convertible Notes	—	46,130	—	49,281
Total	924,132	28,887,837	924,132	30,581,712

For the three and nine months ended September 30, 2022, the Company has excluded from the calculation of diluted net income per share the effect of the following:

- the conversion of the 2025 Convertible Notes and 2027 Convertible Notes, as the last reported sales price of the Company's Class A common stock was not greater than or equal to 130% of the conversion price for 20 trading days during a period of 30 consecutive trading days prior to September 30, 2022, per the terms of the agreement, and
- shares of the Company's Class A common stock to be issued in connection with the earnouts due to the former shareholders of The Giving Block, Online Payments Group, and certain restaurant technology partners. See Note 3 for more information about shares to be issued in connection with earnouts.

For the three and nine months ended September 30, 2021, the Company has excluded from the calculation of diluted net loss per share the effect of the conversion of the 2027 Convertible Notes, as the last reported sales price of the Company's Class A common stock was not greater than or equal to 130% of the conversion price for 20 trading days during a period of 30 consecutive trading days prior to September 30, 2021, per the terms of the agreement.

The Company will pay in cash the $690.0 million principal of the 2025 Convertible Notes and the $632.5 million principal of the 2027 Convertible Notes with any excess to be paid or delivered in cash or shares of the Company's Class A common stock or a combination of both at the Company's election.

21. Supplemental Cash Flows Information

Supplemental cash flows disclosures and noncash information consisted of the following:

	Nine Months Ended September 30,	
	2022	2021
Cash paid for interest	$ 14.0	$ 10.5
Cash paid for income taxes, net of refunds	0.4	0.4
Noncash investing activities		
Shares and equity-based compensation awards issued in connection with acquisitions	95.8	26.3
Shares issued in connection with residual commission buyouts	36.6	—
Contingent consideration for acquisitions	82.0	—
Contingent consideration for residual commission buyouts	7.3	0.5
Cash consideration not yet paid in connection with residual commission buyouts	8.2	—
Equipment for lease	5.2	4.6
Shareholder loans transferred in connection with the acquisition of Online Payments Group	2.5	—
Capitalized software development costs	1.2	1.6
Noncash financing activities		
Right-of-use assets obtained in exchange for operating lease liabilities	2.3	—
Right associated with Inspiration4 seat	—	2.1

(Unaudited) (in millions, except share, unit and per unit amounts)

22. Segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM") for the purposes of allocating resources and evaluating financial performance. The Company's CODM is the chief executive officer, who reviews financial information on a consolidated level for purposes of allocating resources and evaluating financial performance, and as such, the Company's operations constitute one operating segment and one reportable segment.

The following table summarizes gross revenue by revenue type:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Payments-based revenue (a)	$ 509.0	$ 346.9	$ 1,354.4	$ 887.6
Subscription and other revenues	38.3	30.9	101.5	80.5
Gross revenue	$ 547.3	$ 377.8	$ 1,455.9	$ 968.1

(a) For the three and nine months ended September 30, 2021, payments-based revenue includes nonrecurring payments of $ 22.4 million the Company made to merchants related to the TSYS outage, which are recorded as contra revenue and reflected as a reduction of payments-based revenue. See Note 4 for more information about the TSYS outage.

23. Subsequent Events

In preparing the unaudited condensed consolidated financial statements, the Company evaluated events and transactions occurring after September 30, 2022 for recognition and/or disclosure purposes. Based on this evaluation, there were no subsequent events from September 30, 2022 through the date the financial statements were issued.

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 the information presented in our unaudited condensed consolidated financial statements and the related notes and other financial data included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Annual Report on Form 10-K/A ("Form 10-K/A") for the fiscal year ended December 31, 2021, filed with the U.S. Securities and Exchange Commission ("SEC") on November 8, 2022 (the "2021 Form 10-K/A"). In addition to historical information, the following discussion contains forward-looking statements, such as statements regarding our expectation for future performance, liquidity and capital resources, that involve risks, uncertainties and assumptions that could cause actual results to differ materially from our expectations. Our actual results may differ materially from those contained in or implied by any forward-looking statements. Factors that could cause such differences include those identified below and those described in "Cautionary Note Regarding Forward-Looking Statements," and "Risk Factors" in Part I, Item 1A. of our 2021 Form 10-K/A. We assume no obligation to update any of these forward-looking statements.

Certain prior year items within this Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" have been updated as a result of the restatement of the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2021, as described in further detail in Note 2 to the accompanying unaudited condensed consolidated financial statements and Part I, Item 4. "Controls and Procedures."

As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires, references to:

- "we," "us," "our," the "Company," "Shift4" and similar references refer to Shift4 Payments, Inc. and, unless otherwise stated, all of its subsidiaries.
- "Continuing Equity Owners" refers collectively to our Founder and their respective permitted transferees who may redeem at each of their options, in whole or in part from time to time, their LLC Interests for, at our election, cash or newly-issued shares of Shift4 Payments, Inc.'s Class A common stock. Searchlight was a Continuing Equity Owner prior to May 24, 2022.
- "LLC Interests" refers to the common units of Shift4 Payments, LLC.
- "Founder" refers to Jared Isaacman, our Chief Executive Officer and the sole stockholder of Rook Holdings Inc. Our Founder is a Continuing Equity Owner and an owner of Class C common stock.
- "Rook" refers to Rook Holdings Inc., a Delaware corporation wholly-owned by our Founder and for which our Founder is the sole stockholder.
- "Searchlight" refers to Searchlight Capital Partners, L.P., a Delaware limited partnership, and certain funds affiliated with Searchlight. Searchlight was a Continuing Equity Owner prior to May 24, 2022.

Overview

We are a leading independent provider of payment acceptance and payment processing and technology solutions in the United States ("U.S.") based on total volume of payments processed. We have also begun executing on our international expansion strategy, and we expect our international presence to continue to grow in the future. We have achieved our leadership position through decades of solving business and operational challenges facing our customers' overall commerce needs. We distribute our services through our internal sales and support teams, as well as through our network of independent software vendors ("ISVs") and value-added resellers ("VARs"). For our software partners, we offer a single integration to an end-to-end payments offering, a proprietary gateway and a robust suite of technology solutions to enhance the value of their software and simplify payment acceptance. For our merchants, we provide a seamless, unified consumer experience as an alternative to relying on multiple providers to accept card-based payments, while providing the digital tools necessary to provide their end-customers a seamless commerce experience.

At the heart of our business is our ***payments platform***. Our payments platform is a full suite of integrated payment products and services that can be used across multiple channels (in-store, online, mobile and tablet-based) and industry verticals, including:

- end-to-end payment processing for a broad range of payment types;
- merchant acquiring;
- proprietary omni-channel gateway capable of multiple methods of mobile, contactless and QR code-based payments;
- complementary software integrations;
- full eCommerce capabilities, including web-store design, hosting, shopping cart management and fulfillment integrations;
- integrated and mobile POS solutions;
- security and risk management solutions; and
- reporting and analytical tools.

We also offer innovative ***technology solutions*** that go beyond payment processing. Some of our solutions are developed in-house, such as business intelligence and POS software, while others are powered by our network of complementary third-party applications. Our focus on innovation, combined with our product-driven culture, enables us to create scalable technology solutions that benefit from an extensive library of intellectual property.

In addition to our internal sales and support teams, we have a partner-based distribution approach. We market and sell our solutions through a diversified network of thousands of software partners, which consists of ISVs and VARs. ISVs are technology providers that develop commerce-enabling software suites with which they can bundle our payments platform. VARs are organizations that provide distribution support for ISVs and act as trusted and localized service providers to merchants by providing them with software and services. Together, our ISVs and VARs provide us immense distribution scale and provide our merchants with front-line service and support.

Our end-to-end payments offering combines our payments platform, including our proprietary gateway and breadth of software integrations, and our suite of technology solutions to create a compelling value proposition for our merchants. Our end-to-end payment volume was $20.6 billion and $13.5 billion for the three months ended September 30, 2022 and 2021, respectively, and $50.9 billion and $33.3 billion for the nine months ended September 30, 2022 and 2021, respectively. This end-to-end payment volume contributed 69% and 67% of gross revenue less network fees for the three months ended September 30, 2022 and 2021, respectively, and 70% and 66% of gross revenue less network fees for the nine months ended September 30, 2022 and 2021, respectively.

Our merchants range from small to medium sized businesses ("SMBs") to large enterprises across numerous verticals including food and beverage, hospitality, stadiums and arenas, gaming, specialty retail, non-profits, eCommerce, and exciting technology companies. We expect our newest verticals, including stadiums and arenas, gaming, non-profits, and exciting technology companies, to contribute to our end-to-end payment volume significantly more in future periods than they have to date.

Recent Developments

Launch of SkyTab POS

During the three months ended September 30, 2022, we launched SkyTab POS, our next-generation restaurant POS system. SkyTab POS includes sleek, cutting-edge hardware and powerful performance; robust functionality, including integrated online ordering and payment, contactless/QR code ordering and payment, and built-in marketing tools and loyalty programs; powerful management tools such as advanced reporting and analytics, remote menu management, and labor scheduling; and various mobile solutions.

Distribution Insourcing & Residual Commission Buyouts

During the three and nine months ended September 30, 2022, we completed $298.8 million and $311.7 million, respectively, of residual commission buyouts with certain third-party distribution partners, pursuant to which we acquired their ongoing merchant relationships that subscribe to our end-to-end payments platform. These amounts include $298.5 million in residual commission buyouts executed under our mass strategic buyout program completed in the three months ended September 30, 2022 in support of our strategic initiative to insource our sales distribution network. Total consideration for the residual commission buyouts was comprised of a combination of cash, shares of our Class A common stock, and contingent liability earnouts.

Stock Repurchases

On December 16, 2021, our Board of Directors (the “Board”) authorized a stock repurchase program (the “December 2021 Program”), pursuant to which we were authorized to repurchase up to $100.0 million of shares of our Class A common stock through December 31, 2022. On May 11, 2022, the Board authorized a stock repurchase program (the “May 2022 Program”), pursuant to which we were authorized to repurchase up to an additional $100.0 million of shares of our Class A common stock through December 31, 2022, and on June 15, 2022, the Board authorized a stock repurchase program (the “June 2022 Program” and, together with the December 2021 Program and the May 2022 Program, the “Programs”), pursuant to which we were authorized to repurchase up to an additional $50.0 million of shares of our Class A common stock through December 31, 2022.

During the nine months ended September 30, 2022, we repurchased 3,887,191 shares of our Class A common stock for $184.4 million, including commissions paid, at an average price paid of $47.40 per share. During the three months ended September 30, 2022, we did not repurchase any shares of our Class A common stock. As of September 30, 2022, approximately $44.5 million remained available for future purchases under the Programs. See Note 17 to the accompanying unaudited condensed consolidated financial statements for more information.

Recent Acquisitions

Online Payments Group

On September 29, 2022, we acquired Online Payments Group for $125.9 million of total purchase consideration, net of cash acquired. Online Payments Group is European payment service provider with a world-class developer portal and checkout experience that we believe will accelerate our global eCommerce growth.

Restaurant Technology Partners

During the three months ended September 30, 2022, we acquired Pinnacle Hospitality Systems LLC (“Pinnacle”), FPOS Group, Inc. (“FPOS”), Retail Control Solutions, Inc. (“RCS”), and three other restaurant technology partners in separate transactions for $80.3 million of total purchase consideration, net of cash acquired.

These acquisitions enable the boarding of the restaurant technology partners’ customers on our end-to-end acquiring solution and empower our distribution partners to sign the restaurant technology partners’ customer accounts and leverage the combined expertise to handle all aspects of installation, service, and support.

The Giving Block

On February 28, 2022, we acquired The Giving Block for $106.9 million of total purchase consideration, net of cash acquired. The Giving Block is a cryptocurrency donation marketplace that we expect to accelerate our growth in the non-profit sector with significant cross-sell potential.

See Note 3 to the accompanying unaudited condensed consolidated financial statements for more information.

Pending Acquisitions

Finaro

On March 1, 2022, we entered into a definitive agreement to acquire Credorax, Inc. d/b/a Finaro ("Finaro") for $200.0 million in cash on hand, 6,439,316 shares of our Class A common stock with a value of approximately $325.0 million as of March 1, 2022, determined by the volume weighted average price for the thirty trading days preceding the date of the agreement, and a performance-based earnout of up to $50.0 million in shares of our Class A common stock. Consummation of the merger is subject to regulatory approvals, which we expect to receive by the first quarter of 2023. Finaro is a cross-border eCommerce platform and bank specializing in solving complex payment problems for multi-national merchants that we believe will accelerate our growth in international markets.

Factors Impacting Our Business and Results of Operations

In general, our results of operations are impacted by factors such as the adoption of software solutions that are integrated with our payment solutions, continued investment in our core capabilities, ongoing pursuit of strategic acquisitions, and macro-level economic trends.

Increased adoption of software-integrated payments. We primarily generate revenue through fees assessed on end-to-end payment volume initiated through our internal sales team and our integrated software partners. These fees include volume-based payments, transaction fees and subscription fees for software and technology solutions. We expect to grow this volume by attracting new integrated software partners through our market-leading and innovative solutions. These integrated software partners have proven to be an effective and efficient way of acquiring new merchants and servicing these relationships.

Continued focus on converting our gateway-only customers to our end-to-end payments offering. Currently, a large percentage of our merchant base relies only on our proprietary gateway technology solution to process card-based payments. However, as more of these gateway-only merchants choose to also adopt our end-to-end payment solutions, our revenue per merchant and merchant retention are expected to increase given the fees we generate on end-to-end payment processing services are significantly higher than the per transaction fees we earn on gateway-only services.

Mix of our merchant base. We continue to experience a shift to higher average revenue and higher average volume per merchant. The revenue and volume contribution of each merchant within our portfolio is affected by several factors, including the amount of payment volume processed per merchant, the industry vertical in which the merchant operates, and the number of solutions implemented by the merchant. The size and sophistication of our average merchant continues to increase, and we may experience shifts in the average revenue per merchant and the weighted average pricing of the portfolio.

Ability to attract and retain software partners. While we have been increasing the size and scope of our internal sales and support teams, our partner-based distribution approach remains a pillar of our *Shift4 Model*. We work with our software partners who rely on our suite of payment-related technology solutions to simplify the commerce needs of their end clients. Our ability to attract and retain our software partners impacts our future growth and our ability to service our existing base of merchants. To this end, it is critical we maintain our product leadership through continued investment in innovative technology solutions as a means to ensure we retain our current software partners while attracting new software partners.

Investment in product, distribution and operations. We make significant investments in both new product development and existing product enhancements, such as mobile point-of-sale, cloud enablement for our software partners' existing systems, and contactless payments, including QR code based mobile payment technologies. New product features and functionality are brought to market through varied distribution and promotional activities, including collaborative efforts with industry leading software providers, tradeshows, and customer conferences. Further, we will continue to invest in operational support in order to maintain service levels expected by our merchant customers. We believe these investments in product development and software integrations will lead to long-term growth and profitability.

Pursuit of strategic acquisitions. From time to time, we may pursue acquisitions as part of our ongoing growth strategy that includes adding complementary technology capabilities to service our base of customers and adding critical sales and support capabilities within a specific industry vertical or geography. While these acquisitions are intended to add long-term value, in the short term they may add redundant operating expenses or additional carrying costs until the underlying value is unlocked.

Impact of international operations. We are subject to foreign exchange risk due to fluctuations in exchange rates between the U.S. dollar and the foreign currencies of countries in which we operate. Additionally, international operations expose us to additional risks and subject us to international laws and regulations.

Economic conditions and resulting consumer spending trends. Changes in macro-level consumer spending trends, including as a result of the COVID-19 pandemic, inflation, and consumer confidence, could affect the amount of volume processed on our platform, thus resulting in fluctuations in our quarterly reported revenue. Our quarterly revenue is also impacted by seasonal, consumer spending habit patterns, which historically have resulted in higher volumes and revenue being reported in our second and third fiscal quarters.

TSYS outage. On August 21, 2021, Total System Services, Inc. ("TSYS"), a Global Payments Company and an important vendor to us, experienced a significant platform outage that resulted in the disruption of payment processing for our merchants ("TSYS outage"). TSYS is utilized by many major credit card issuers and payment processors, which meant the impact of the outage was felt by many card-accepting merchants and cardholders across the nation. In response to the TSYS outage, we distributed payments to both merchants and partners in order to alleviate the impact of the outage on their businesses. The following paragraphs describe how these payments are reflected in our accompanying unaudited condensed consolidated financial statements and disclosures.

In the third quarter of 2021, we distributed $22.4 million in payments to our merchants to approximate the lost revenues they experienced as a result of the TSYS outage. Under ASC 606, these payments were recorded as contra revenue, which is reflected as a reduction of "Gross revenue" in our unaudited Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2021. These payments are considered nonrecurring and are therefore reflected as an adjustment when calculating Adjusted EBITDA. In addition, for the three and nine months ended September 30, 2021, gross revenue less network fees excludes the impact of the TSYS outage.

In the third quarter of 2021, we also distributed $2.3 million in payments to our partners to approximate their lost revenues and compensate them for the additional support required from them to manage the outage. Consistent with the treatment of our payments to our partners in the normal course of business, these payments are reflected as an increase to "Cost of sales" in our unaudited Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2021. These payments are considered nonrecurring and are therefore reflected as an adjustment when calculating Adjusted EBITDA.

See Note 4 to the accompanying unaudited condensed consolidated financial statements for more information about the TSYS outage and Key performance indicators and non-GAAP measures for more information about Adjusted EBITDA and gross revenue less network fees.

Key Financial Definitions

The following briefly describes the components of revenue and expenses as presented in the accompanying unaudited Condensed Consolidated Statements of Operations.

Gross revenue consists primarily of payments-based revenue and subscription and other revenues:

Payments-based revenue includes fees for payment processing services and gateway services. Payment processing fees are primarily driven as a percentage of end-to-end payment volume. They may also have a fixed fee, a minimum monthly usage fee and a fee based on transactions. Gateway services, data encryption and tokenization fees are primarily driven by per transaction fees as well as monthly usage fees. In addition, the three and nine months ended September 30, 2021 include nonrecurring payments of $22.4 million we made to our merchants due to the TSYS outage, which were treated as contra revenue and as such reduced payments-based revenue.

Subscription and other revenues include software as a service ("SaaS") fees for point-of-sale systems and terminals provided to merchants and our Shift4Shop eCommerce platform. Point-of-sale and terminal SaaS fees are assessed based on the type and quantity of equipment deployed to the merchant. Shift4Shop SaaS fees are based on the eCommerce platform chosen by the merchant. SaaS fees also include statement fees, fees for our proprietary business intelligence software, annual fees, regulatory compliance fees and other miscellaneous services such as help desk support and warranties on equipment. Subscription and other revenues also includes revenue derived from software license sales, hardware sales, third-party residuals and fees charged for technology support.

Cost of sales consists of interchange and processing fees, residual commissions, equipment and other costs of sales:

Interchange and processing fees represent payments to card issuing banks and assessments paid to card associations based on transaction processing volume. These also include fees incurred by third-parties for data transmission and settlement of funds, such as processors and sponsor banks.

Residual commissions represent monthly payments to third-party distribution partners. These costs are typically based on a percentage of payment-based revenue.

Equipment represents our costs of devices that are purchased by the merchant.

Other costs of sales includes amortization of capitalized software development costs, capitalized software, acquired technology and capitalized customer acquisition costs. It also includes incentives and shipping and handling costs related to the delivery of devices. Capitalized software development costs are amortized using the straight-line method on a product-by-product basis over the estimated useful life of the software. Capitalized software, acquired technology and capitalized customer acquisition costs are amortized on a straight-line basis in accordance with our accounting policies. In addition, the three and nine months ended September 30, 2021 include nonrecurring payments of $2.3 million we made to our partners related to the TSYS outage.

General and administrative expenses consist primarily of compensation, benefits and other expenses associated with corporate management, finance, human resources, shared services, information technology and other activities.

Revaluation of contingent liabilities represents adjustments to the fair value of contingent liabilities associated with acquisitions and residual commission buyouts.

Depreciation and amortization expense consists of depreciation and amortization expenses related to merchant relationships, trademarks and trade names, residual commission buyouts, equipment, leasehold improvements, other intangible assets, and property, plant and equipment. We depreciate and amortize our assets on a straight-line basis in accordance with our accounting policies. Leasehold improvements are depreciated over the lesser of the estimated life of the leasehold improvement or the remaining lease term. Maintenance and repairs, which do not extend the useful life of the respective assets, are charged to expense as incurred. Intangible assets are amortized on a straight-line basis over their estimated useful lives which range from two years to twenty years.

Professional fees consists of costs incurred for accounting, tax, legal, and consulting services.

Advertising and marketing expenses relate to costs incurred to participate in industry tradeshows and dealer conferences, advertising initiatives to build brand awareness, and expenses to fulfill loyalty program rewards earned by software partners.

Restructuring expenses relate to strategic initiatives we have taken that include, but are not limited to, severance or separation costs and other exit and disposal costs. These expenses are typically not reflective of our ongoing operations.

Transaction-related expenses relate to debt issuance or modification costs that are not capitalizable. These expenses are typically not reflective of our ongoing operations.

Loss on extinguishment of debt represents losses recorded for unamortized capitalized financing costs associated with debt prepayments.

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

Other income, net primarily consists of other non-operating items.

Change in TRA liability represents adjustments to the Tax Receivable Agreement (“TRA”) liability.

Interest expense consists of interest costs incurred on our borrowings and amortization of capitalized financing costs.

Income tax (provision) benefit represents federal, state and local taxes based on income in multiple domestic jurisdictions.

Net income (loss) attributable to noncontrolling interests arises from net income (loss) from the non-owned portion of businesses where we have a controlling interest but less than 100% ownership. This represents the noncontrolling interests in Shift4 Payments, LLC and its consolidated subsidiaries, which is comprised of the income (loss) allocated to Continuing Equity Owners as a result of their proportional ownership of LLC Interests.

Comparison of Results for the Three Months Ended September 30, 2022 and 2021

The following table sets forth the consolidated statements of operations for the periods presented:

	Three Months Ended September 30,			
(in millions)	2022	2021	$ change	% change
Payments-based revenue	$ 509.0	$ 346.9	$ 162.1	46.7 %
Subscription and other revenues	38.3	30.9	7.4	23.9 %
Gross revenue	547.3	377.8	169.5	44.9 %
Network fees	(350.6)	(251.9)	(98.7)	39.2 %
Other costs of sales (exclusive of depreciation and amortization expense shown separately below)	(61.0)	(61.5)	0.5	(0.8)%
General and administrative expenses	(74.1)	(48.1)	(26.0)	54.1 %
Revaluation of contingent liabilities	36.9	—	36.9	NM
Depreciation and amortization expense (a)	(28.9)	(15.0)	(13.9)	92.7 %
Professional fees	(10.4)	(3.3)	(7.1)	215.2 %
Advertising and marketing expenses	(5.6)	(3.5)	(2.1)	60.0 %
Restructuring expenses	(0.1)	(0.1)	—	— %
Income (loss) from operations	53.5	(5.6)	59.1	NM
Interest income	3.5	—	3.5	NM
Other income, net	—	0.2	(0.2)	NM
Change in TRA liability	(1.1)	—	(1.1)	NM
Interest expense	(8.3)	(7.4)	(0.9)	12.2 %
Income (loss) before income taxes	47.6	(12.8)	60.4	NM
Income tax provision	(1.2)	(1.0)	(0.2)	20.0 %
Net income (loss)	46.4	(13.8)	60.2	NM
Net income (loss) attributable to noncontrolling interests	3.3	(4.6)	7.9	NM
Net income (loss) attributable to Shift4 Payments, Inc.	$ 43.1	$ (9.2)	$ 52.3	NM

We have changed the presentation of this table relative to prior periods to remove the "Gross profit" line item and update the "Other costs of sales" line item to indicate it is exclusive of depreciation and amortization expense shown separately for the three months ended September 30, 2022 and 2021.

(a) Depreciation and amortization expense includes depreciation of equipment under lease of $8.2 million and $5.8 million for the three months ended September 30, 2022 and 2021, respectively.

Results for the three months ended September 30, 2021 include nonrecurring payments of $22.4 million we made to our merchants and $2.3 million we made to our software partners due to the TSYS outage. An additional $0.4 million of associated costs were incurred as a result of the outage. The TSYS outage payments and associated costs, which did not impact our results for the three months ended September 30, 2022, had the following impact on our results in our unaudited Condensed Consolidated Statements of Operations for the three months ended September 30, 2021:

- $22.4 million decrease to Payments-based revenue and Gross revenue;
- $2.3 million increase to Other costs of sales; and
- $25.1 million decrease to Loss from operations and Net loss.

See *Factors Impacting Our Business and Results of Operations* above and Note 4 to the accompanying unaudited condensed consolidated financial statements for more information about the TSYS outage.

Gross revenue

Gross revenue was $547.3 million for the three months ended September 30, 2022, compared to $377.8 million for the three months ended September 30, 2021, an increase of $169.5 million or 44.9%. Gross revenue is comprised of payments-based revenue and subscription and other revenues. Gross revenue for the three months ended September 30, 2021 includes $22.4 million in payments we made to merchants as a result of the TSYS outage, which were recorded as contra revenue.

Payments-based revenue was $509.0 million for the three months ended September 30, 2022, compared to $346.9 million for the three months ended September 30, 2021, an increase of $162.1 million or 46.7%. The increase in payments-based revenue was primarily driven by the increase in end-to-end payment volume of $7.1 billion, or 52.9%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021, in addition to $22.4 million in payments we made to merchants in the third quarter of 2021 as a result of the TSYS outage, which were recorded as contra revenue.

Subscription and other revenues were $38.3 million for the three months ended September 30, 2022, compared to $30.9 million for the three months ended September 30, 2021, an increase of $7.4 million or 23.9%. The increase in subscription and other revenues was primarily driven by acquisitions, which collectively contributed $4.7 million more to subscription and other revenues in the three months ended September 30, 2022, compared to the three months ended September 30, 2021. In addition, hardware sales increased $2.9 million for the three months ended September 30, 2022, compared to the three months ended September 30, 2021.

Network fees

Network fees were $350.6 million for the three months ended September 30, 2022, compared to $251.9 million for the three months ended September 30, 2021, an increase of $98.7 million or 39.2%. This increase is correlated with the increase in end-to-end payment volume as described above.

Gross revenue less network fees was $196.7 million for the three months ended September 30, 2022, compared to $148.3 million for the three months ended September 30, 2021, an increase of $48.4 million or 32.6%. For the three months ended September 30, 2021, gross revenue less network fees excludes the $22.4 million impact of the TSYS outage to gross revenue. The increase in gross revenue less network fees was largely correlated with the increase in end-to-end payment volume. See “Key Performance Indicators and Non-GAAP Measures” below for a reconciliation of gross profit to gross revenue less network fees.

Other costs of sales

Other costs of sales was $61.0 million for the three months ended September 30, 2022, compared to $61.5 million for the three months ended September 30, 2021, a decrease of $0.5 million, or 0.8%. This decrease was primarily driven by:

- lower residual commissions, which decreased other costs of sales $7.3 million, primarily driven by the impact of residual commission buyouts completed during the third quarter of 2022; and
- payments to partners of $2.3 million due to the TSYS outage, which increased other costs of sales in the three months ended September 30, 2021 and were nonrecurring in nature;

partially offset by:

- higher equipment sales, which increased other costs of sales by $2.9 million;
- higher capitalized software development amortization, which increased other costs of sales $2.0 million;
- acquisitions, which collectively increased other costs of sales $1.5 million; and
- higher capitalized customer acquisition cost amortization, which increased other costs of sales $1.2 million, related to deal bonuses paid to third-party distribution partners to obtain processing contracts.

General and administrative expenses

General and administrative expenses were $74.1 million for the three months ended September 30, 2022, compared to $48.1 million for the three months ended September 30, 2021, an increase of $26.0 million or 54.1%. The increase was primarily driven by higher compensation and other employee-related expenses of $14.7 million in the three months ended September 30, 2022, compared to the three months ended September 30, 2021, as a result of our continued growth and expansion. In addition, our acquisitions collectively increased general and administrative expenses $6.0 million in the three months ended September 30, 2022.

Revaluation of contingent liabilities

Revaluation of contingent liabilities of $36.9 million for the three months ended September 30, 2022 is driven by a decrease in the contingent liability for The Giving Block in the three months ended September 30, 2022.

Depreciation and amortization expense

Depreciation and amortization expense was $28.9 million for the three months ended September 30, 2022, compared to $15.0 million for the three months ended September 30, 2021, an increase of $13.9 million or 92.7%. The increase was primarily driven by higher amortization of intangible assets of $10.5 million due to the significant residual commission buyouts completed in the three months ended September 30, 2022. In addition, depreciation and amortization expense increased due to higher depreciation for equipment under lease of $2.5 million in the three months ended September 30, 2022, compared to the three months ended September 30, 2021. Acquisitions collectively increased depreciation and amortization expense $0.8 million in the three months ended September 30, 2022.

Professional fees

Professional fees were $10.4 million for the three months ended September 30, 2022, compared to $3.3 million for the three months ended September 30, 2021, an increase of $7.1 million or 215.2%. The increase was primarily driven by higher acquisition-related costs.

Advertising and marketing expenses

Advertising and marketing expenses were $5.6 million for the three months ended September 30, 2022, compared to $3.5 million for the three months ended September 30, 2021, an increase of $2.1 million or 60.0%. The increase was primarily driven by our 4WARD conference held in the third quarter 2022 and an increase in sponsorship expenses, partially offset by $1.6 million of costs associated with the Inspiration4 seat in the three months ended September 30, 2021 that were nonrecurring in nature.

Interest income

Interest income was $3.5 million for the three months ended September 30, 2022, consisting primarily of interest income earned on our cash and cash equivalents. We had immaterial interest income for the three months ended September 30, 2021.

Change in TRA liability

The change in TRA liability resulted in $1.1 million of expense for the three months ended September 30, 2022. There was no corresponding expense for the three months ended September 30, 2021. See Note 13 in the notes to the accompanying unaudited condensed consolidated financial statements for more information on the TRA.

Interest expense

Interest expense was $8.3 million for the three months ended September 30, 2022, compared to $7.4 million for the three months ended September 30, 2021, an increase of $0.9 million or 12.2%. The increase was primarily driven by higher amortization of capitalized financing fees.

Income tax provision

The effective tax rate for the three months ended September 30, 2022 was 2.5%, compared to the effective tax rate for the three months ended September 30, 2021 of 7.8%.

The effective tax rate for the three months ended September 30, 2022 and 2021 was different than the U.S. federal statutory income tax rate of 21% primarily due to the income allocated to the noncontrolling interest, the full valuation allowances on Shift4 Payments, Inc. and certain corporate subsidiaries in the U.S., and the nontaxable adjustment related to the revaluation of contingent liabilities for The Giving Block.

Net income (loss) attributable to noncontrolling interests

Net income attributable to noncontrolling interests of Shift4 Payments, LLC was $3.3 million for the three months ended September 30, 2022, compared to a net loss attributable to noncontrolling interests of $4.6 million for the three months ended September 30, 2021.

Comparison of Results for the Nine Months Ended September 30, 2022 and 2021

The following table sets forth the consolidated statements of operations for the periods presented:

	Nine Months Ended September 30,			
(in millions)	2022	2021	$ change	% change
Payments-based revenue	$ 1,354.4	$ 887.6	$ 466.8	52.6 %
Subscription and other revenues	101.5	80.5	21.0	26.1 %
Gross revenue	1,455.9	968.1	487.8	50.4 %
Network fees	(927.8)	(608.4)	(319.4)	52.5 %
Other costs of sales (exclusive of depreciation and amortization expense shown separately below)	(202.0)	(165.4)	(36.6)	22.1 %
General and administrative expenses	(198.6)	(153.1)	(45.5)	29.7 %
Revaluation of contingent liabilities	37.2	(0.2)	37.4	NM
Depreciation and amortization expense (a)	(62.9)	(45.9)	(17.0)	37.0 %
Professional fees	(24.3)	(13.0)	(11.3)	86.9 %
Advertising and marketing expenses	(11.2)	(26.1)	14.9	(57.1)%
Restructuring expenses	(0.2)	(0.2)	—	— %
Transaction-related expenses	(1.4)	—	(1.4)	NM
Income (loss) from operations	64.7	(44.2)	108.9	NM
Loss on extinguishment of debt	—	(0.2)	0.2	NM
Interest income	4.9	—	4.9	NM
Other income, net	0.3	0.2	0.1	50.0 %
Change in TRA liability	(1.1)	—	(1.1)	NM
Interest expense	(24.6)	(20.2)	(4.4)	21.8 %
Income (loss) before income taxes	44.2	(64.4)	108.6	NM
Income tax benefit	4.0	4.1	(0.1)	(2.4)%
Net income (loss)	48.2	(60.3)	108.5	NM
Net income (loss) attributable to noncontrolling interests	2.3	(21.5)	23.8	NM
Net income (loss) attributable to Shift4 Payments, Inc.	$ 45.9	$ (38.8)	$ 84.7	NM

We have changed the presentation of this table relative to prior periods to remove the “Gross profit” line item and update the “Other costs of sales” line item to indicate it is exclusive of depreciation and amortization expense shown separately for the nine months ended September 30, 2022 and 2021.

(a) Depreciation and amortization expense includes depreciation of equipment under lease of $ 22.6 million and $ 15.4 million for the nine months ended September 30, 2022 and 2021, respectively.

Results for the nine months ended September 30, 2021 include nonrecurring payments of $22.4 million we made to our merchants and $2.3 million we made to our software partners due to the TSYS outage. An additional $0.4 million of associated costs were incurred as a result of the outage. The TSYS outage payments and associated costs, which did not impact our results for the nine months ended September 30, 2022, had the following impact on our results in our unaudited Condensed Consolidated Statements of Operations for the nine months ended September 30, 2021:

- $22.4 million decrease to Payments-based revenue and Gross revenue;
- $2.3 million increase to Other costs of sales; and
- $25.1 million decrease to Loss from operations and Net loss.

See *Factors Impacting Our Business and Results of Operations* above and Note 4 to the accompanying unaudited condensed consolidated financial statements for more information about the TSYS outage

Gross revenue

Gross revenue was $1,455.9 million for the nine months ended September 30, 2022, compared to $968.1 million for the nine months ended September 30, 2021, an increase of $487.8 million or 50.4%. Gross revenue is comprised of payments-based revenue and subscription and other revenues. The nine months ended September 30, 2021 includes $22.4 million in payments we made to merchants as a result of the TSYS outage, which were recorded as contra revenue.

Payments-based revenue was $1,354.4 million for the nine months ended September 30, 2022, compared to $887.6 million for the nine months ended September 30, 2021, an increase of $466.8 million or 52.6%. The increase in payments-based revenue was primarily driven by the increase in end-to-end payment volume of $17.6 billion, or 52.9%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, in addition to $22.4 million in payments we made to merchants in the third quarter of 2021 as a result of the TSYS outage, which were recorded as contra revenue.

Subscription and other revenues were $101.5 million for the nine months ended September 30, 2022, compared to $80.5 million for the nine months ended September 30, 2021, an increase of $21.0 million or 26.1%. The increase in subscription and other revenues was driven primarily by acquisitions, which collectively contributed $18.1 million more to subscription and other revenues in the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021.

Network fees

Network fees were $927.8 million for the nine months ended September 30, 2022, compared to $608.4 million for the nine months ended September 30, 2021, an increase of $319.4 million or 52.5%. This increase is correlated with the increase in end-to-end payment volume as described above.

Gross revenue less network fees was $528.1 million for the nine months ended September 30, 2022, compared to $382.1 million for the nine months ended September 30, 2021, an increase of $146.0 million or 38.2%. For the nine months ended September 30, 2021, gross revenue less network fees excludes the $22.4 million impact of the TSYS outage to gross revenue. The increase in gross revenue less network fees was largely correlated with the increase in end-to-end payment volume. See “Key Performance Indicators and Non-GAAP Measures” below for a reconciliation of gross profit to gross revenue less network fees.

Other costs of sales

Other costs of sales was $202.0 million for the nine months ended September 30, 2022, compared to $165.4 million for the nine months ended September 30, 2021, an increase of $36.6 million, or 22.1%. This increase was primarily driven by:

- higher residual commissions, which increased other costs of sales $21.8 million, were driven by the growth in gross revenue less network fees, partially offset by the impact of residual commission buyouts;
- acquisitions, which collectively increased other costs of sales $8.4 million;
- higher variable costs associated with processing fees of $4.1 million;
- higher capitalized software development amortization, which increased other costs of sales $3.8 million; and
- higher capitalized customer acquisition cost amortization, which increased other costs of sales $3.6 million, related to deal bonuses paid to third-party distribution partners to obtain processing contracts;

partially offset by:

- higher than normal chargeback losses during the nine months ended September 30, 2021 driven by the business failure of one merchant causing $5.5 million in estimated unrecoverable chargeback transactions in 2021; and
- payments to partners of $2.3 million due to the TSYS outage, which increased other costs of sales in the nine months ended September 30, 2021 and were nonrecurring in nature.

General and administrative expenses

General and administrative expenses were $198.6 million for the nine months ended September 30, 2022, compared to $153.1 million for the nine months ended September 30, 2021, an increase of $45.5 million or 29.7%. The increase was primarily driven by higher compensation and other employee-related expenses of $21.7 million and higher insurance expenses of $2.8 million compared to the nine months ended September 30, 2021, as a result of our continued growth and expansion. In addition, our acquisitions collectively increased general and administrative expenses $13.5 million in the nine months ended September 30, 2022.

Revaluation of contingent liabilities

Revaluation of contingent liabilities of $37.2 million for the nine months ended September 30, 2022 is driven by a decrease in the contingent liability for The Giving Block in the nine months ended September 30, 2022.

Depreciation and amortization expense

Depreciation and amortization expense was $62.9 million for the nine months ended September 30, 2022, compared to $45.9 million for the nine months ended September 30, 2021, an increase of $17.0 million or 37.0%. The increase was primarily driven by higher amortization of intangible assets of $7.6 million due to the significant residual commission buyouts completed in the third quarter of 2022 and higher depreciation for equipment under lease of $7.2 million in the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. In addition, our acquisitions collectively increased depreciation and amortization expense $2.0 million in the nine months ended September 30, 2022.

Professional fees

Professional fees were $24.3 million for the nine months ended September 30, 2022, compared to $13.0 million for the nine months ended September 30, 2021, an increase of $11.3 million or 86.9%. The increase was primarily due to higher acquisition-related costs.

Advertising and marketing expenses

Advertising and marketing expenses were $11.2 million for the nine months ended September 30, 2022, compared to $26.1 million for the nine months ended September 30, 2021, a decrease of $14.9 million or 57.1%. The decrease was primarily driven by expenses in the nine months ended September 30, 2021 related to the integration of 3dcart and its rebranding as Shift4Shop and $3.7 million of costs associated with the Inspiration4 seat that were nonrecurring in nature. In February 2021, the Company accepted the transfer of the right to select a participant for one seat on board Inspiration4, the first all-civilian mission to space, from the Founder, who was also the commander of the mission. The Company incurred a significant amount of nonrecurring expenses to integrate, rebrand and promote 3dcart to Shift4Shop in conjunction with the Inspiration4 announcement. This was partially offset by acquisitions, which collectively increased advertising and marketing expenses $2.5 million in the nine months ended September 30, 2022, in addition to our 4WARD conference held in the third quarter 2022 and an increase in sponsorship expenses.

Transaction-related expenses

Transaction-related expenses were $1.4 million for the nine months ended September 30, 2022. These expenses were associated with a consent solicitation for the 2026 Senior Notes in March 2022. See Note 10 in the notes to the accompanying unaudited condensed consolidated financial statements for more information.

Interest income

Interest income was $4.9 million for the nine months ended September 30, 2022, consisting primarily of interest income earned on our cash and cash equivalents. We had immaterial interest income for the nine months ended September 30, 2021.

Change in TRA liability

The change in TRA liability resulted in $1.1 million of expense for the nine months ended September 30, 2022. There was no corresponding expense for the nine months ended September 30, 2021. See Note 13 in the notes to the accompanying unaudited condensed consolidated financial statements for more information on the TRA.

Interest expense

Interest expense was $24.6 million for the nine months ended September 30, 2022, compared to $20.2 million for the nine months ended September 30, 2021, an increase of $4.4 million or 21.8%. The increase in interest expense was primarily driven by the issuance of the Convertible Senior Notes due 2027 (“2027 Convertible Notes”) in July 2021, as well as higher amortization of capitalized financing fees during the nine months ended September 30, 2022.

Income tax benefit (provision)

The effective tax rate for the nine months ended September 30, 2022 was (9.0)%, compared to the effective tax rate for the nine months ended September 30, 2021 of (6.4)%.

The effective tax rate for the nine months ended September 30, 2022 was different than the U.S. federal statutory income tax rate of 21% primarily due to the income allocated to the noncontrolling interest, the full valuation allowances on Shift4 Payments, Inc. and certain corporate subsidiaries in the U.S., the nontaxable adjustment related to the revaluation of contingent liabilities for The Giving Block, and a $6.4 million income tax benefit related to the valuation allowance release due to acquired deferred tax liabilities from The Giving Block. The effective tax rate for the nine months ended September 30, 2021 was different than the U.S. federal statutory income tax rate of 21% primarily due to the loss allocated to the noncontrolling interest, the full valuation allowances on Shift4 Payments, Inc. and certain corporate subsidiaries in the U.S., and the tax windfall related to vested equity-based compensation awards.

Net income (loss) attributable to noncontrolling interests

Net income attributable to noncontrolling interests of Shift4 Payments, LLC was $2.3 million for the nine months ended September 30, 2022, compared to net loss of $21.5 million for the nine months ended September 30, 2021.

Key Performance Indicators and Non-GAAP Measures

The following table sets forth our key performance indicators and non-GAAP measures for the periods presented.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2022	2021	2022	2021
End-to-end payment volume	$ 20,579.4	$ 13,457.2	$ 50,873.4	$ 33,277.9
Gross revenue less network fees	196.7	148.3	528.1	382.1
EBITDA	95.0	20.4	165.5	32.6
Adjusted EBITDA	85.4	55.8	195.3	123.2

End-to-end payment volume

End-to-end payment volume is defined as the total dollar amount of payments that we deliver for settlement on behalf of our merchants. Included in end-to-end volume are dollars routed via our international payments platform and alternative payment methods, including cryptocurrency donations, plus volume we route to one or more third party merchant acquirers on behalf of strategic enterprise merchant relationships. This volume does not include volume processed through our legacy gateway-only offering.

Gross revenue less network fees, EBITDA and Adjusted EBITDA

We use supplemental measures of our performance which are derived from our consolidated financial information but which are not presented in our consolidated financial statements prepared in accordance with GAAP. These non-GAAP financial measures include: gross revenue less network fees, which includes interchange and assessment fees; earnings before interest, income taxes, depreciation, and amortization (“EBITDA”); and Adjusted EBITDA.

Gross revenue less network fees represents a key performance metric that management uses to measure changes in the mix and value derived from our customer base as we continue to execute our strategy to expand our reach to serve larger, complex merchants. For the three and nine months ended September 30, 2021, gross revenue less network fees excludes the impact of the payments to merchants, included in “Gross revenue,” and payments to partners and associated expenses due to the TSYS outage, included in “Cost of sales” in our unaudited Condensed Consolidated Statements of Operations. These are nonrecurring payments that occurred outside of our day-to-day operations, and we have excluded them in order to provide more useful information to investors in the evaluation of our performance period-over-period.

Adjusted EBITDA is the primary financial performance measure used by management to evaluate its business and monitor results of operations. Adjusted EBITDA represents EBITDA further adjusted for certain non-cash and other nonrecurring items that management believes are not indicative of ongoing operations. These adjustments include the TSYS outage and associated costs, acquisition, restructuring and integration costs, revaluation of contingent liabilities, change in TRA liability, equity-based compensation expense, and other nonrecurring items. The financial impact of certain elements of these activities is often large relative to the Company’s overall financial performance and can adversely affect the comparability of our operating results and investors’ ability to analyze the business from period to period.

We use non-GAAP financial measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management to better understand our consolidated financial performance from period to period and better project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, we believe these non-GAAP financial measures provide our stakeholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period to period comparisons. There are limitations to the use of the non-GAAP financial measures presented in this Quarterly Report on Form 10-Q. Our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

The non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from, or as a substitute for, net income (loss) prepared in accordance with GAAP, and should be read only in conjunction with financial information presented on a GAAP basis. Reconciliations of gross revenue less network fees, EBITDA and Adjusted EBITDA to its most directly comparable GAAP financial measure are presented below. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future fiscal periods, we may exclude such items and may incur income and expenses similar to these excluded items.

Reconciliations of gross revenue less network fees, EBITDA and Adjusted EBITDA

The tables below provide reconciliations of gross profit to gross revenue less network fees and net income (loss) on a consolidated basis for the periods presented to EBITDA and Adjusted EBITDA.

Gross revenue less network fees:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2022	2021	2022	2021
Gross revenue	$ 547.3	$ 377.8	$ 1,455.9	$ 968.1
Less: Network fees	(350.6)	(251.9)	(927.8)	(608.4)
Less: Other costs of sales (exclusive of depreciation of equipment under lease)	(61.0)	(61.5)	(202.0)	(165.4)
	135.7	64.4	326.1	194.3
Less: Depreciation of equipment under lease	(8.2)	(5.8)	(22.6)	(15.4)
Gross profit (a) (b) (c)	$ 127.5	$ 58.6	$ 303.5	$ 178.9
Gross profit (a) (b) (c)	$ 127.5	$ 58.6	$ 303.5	$ 178.9
Add back: Other costs of sales (b)	61.0	61.5	202.0	165.4
Add back: Depreciation of equipment under lease	8.2	5.8	22.6	15.4
Add back: TSYS outage payments (c)	—	22.4	—	22.4
Gross revenue less network fees	$ 196.7	$ 148.3	$ 528.1	$ 382.1

(a) The calculation of gross profit relative to prior periods was revised to include depreciation of equipment under lease. The table reflects the calculation of gross profit for all periods presented, including the differences from previously reported gross profit metrics that had excluded depreciation of equipment under lease.

(b) The three and nine months ended September 30, 2021 include $2.3 million of nonrecurring payments to partners related to the TSYS outage. See *Factors Impacting Our Business and Results of Operations* above and Note 4 to the accompanying unaudited condensed consolidated financial statements for more information about the TSYS outage.

(c) The three and nine months ended September 30, 2021 include $22.4 million of nonrecurring payments to merchants related to the TSYS outage. See *Factors Impacting Our Business and Results of Operations* above and Note 4 to the accompanying unaudited condensed consolidated financial statements for more information about the TSYS outage.

EBITDA and Adjusted EBITDA:

(in millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net income (loss)	$ 46.4	$ (13.8)	$ 48.2	$ (60.3)
Interest expense	8.3	7.4	24.6	20.2
Interest income	(3.5)	—	(4.9)	—
Income tax provision (benefit)	1.2	1.0	(4.0)	(4.1)
Depreciation and amortization expense	42.6	25.8	101.6	76.8
EBITDA	95.0	20.4	165.5	32.6
Acquisition, restructuring and integration costs (a)	13.0	4.0	23.5	32.8
Revaluation of contingent liabilities (b)	(36.9)	—	(37.2)	0.2
Change in TRA liability (c)	1.1	—	1.1	—
Equity-based compensation (d)	12.3	6.6	39.1	32.0
TSYS outage payments and associated costs (e)	—	25.1	—	25.1
Other nonrecurring items (f)	0.9	(0.3)	3.3	0.5
Adjusted EBITDA	$ 85.4	$ 55.8	$ 195.3	$ 123.2

(a) For the three months ended September 30, 2022, primarily consisted of $10.3 million of acquisition-related costs and a signing bonus of $2.0 million to our Chief Financial Officer. For the three months ended September 30, 2021, primarily consisted of $2.0 million of acquisition-related costs and $1.6 million of costs associated with the Inspiration4 seat. For the nine months ended September 30, 2022, primarily consisted of $19.1 million of acquisition-related costs, a signing bonus of $2.0 million to our Chief Financial Officer, and $1.4 million of transaction-related expenses associated with a consent solicitation for the 2026 Senior Notes in March 2022. For the nine months ended September 30, 2021, primarily consisted of $20.4 million of expenses related to the integration of 3dcart and its rebranding as Shift4Shop, $6.3 million of acquisition-related costs, and $3.7 million of costs associated with the Inspiration4 seat.

(b) Represents the change in the valuation of the contingent liability for The Giving Block.

(c) Represents adjustments to the TRA liability. See Note 13 in the notes to the accompanying unaudited condensed consolidated financial statements for more information on the TRA.

(d) Represents equity-based compensation expense for RSUs, including employer taxes for vested RSUs. See Note 19 in the notes to the accompanying unaudited condensed consolidated financial statements for more information on equity-based compensation.

(e) The three and nine months ended September 30, 2021 include nonrecurring payments of $22.4 million that we made to merchants and $2.3 million that we made to partners related to the TSYS outage, and other expenses incurred associated with the TSYS outage of $0.4 million. See *Factors Impacting Our Business and Results of Operations* above and Note 4 to the accompanying unaudited condensed consolidated financial statements for more information about the TSYS outage.

(f) For the three months ended September 30, 2022, primarily consisted of a $0.5 million donation and $0.4 million of nonrecurring advertising and marketing expenses. For the nine months ended September 30, 2022, primarily consisted of $1.1 million of costs associated with an internal processing system disruption that required technical remediation, $0.8 million of nonrecurring advertising and marketing expenses, $0.5 million of legal and professional fees for one-time matters, a $0.5 million donation and $0.4 million of costs associated with an early retirement initiative completed in the first quarter of 2022.

Liquidity and Capital Resources

Overview

We have historically sourced our liquidity requirements primarily with cash flow from operations and, when needed, with debt borrowings or equity transactions. The principal uses for liquidity have been debt service, capital expenditures (including research and development) and funds required to finance acquisitions.

We do not intend to pay cash dividends on our Class A common stock in the foreseeable future. Shift4 Payments, Inc. is a holding company that does not conduct any business operations of its own. As a result, Shift4 Payments, Inc.'s ability to pay cash dividends on its common stock, if any, is dependent upon cash dividends and distributions and other transfers from Shift4 Payments, LLC. The amounts available to Shift4 Payments, Inc. to pay cash dividends are subject to the covenants and distribution restrictions in its subsidiaries' agreements governing its indebtedness, including covenants in such agreements providing that the payments of dividends or other distributions are subject to annual limitations based on our market capitalization.

The following table sets forth summary cash flow information for the periods presented.

	Nine Months Ended September 30,	
(in millions)	**2022**	**2021**
Net cash provided by operating activities (a)	$ 135.9	$ 6.3
Net cash used in investing activities (a)	(483.0)	(142.7)
Net cash (used in) provided by financing activities	(211.4)	496.7
Effect of exchange rate changes on cash and cash equivalents	(0.3)	—
Change in cash and cash equivalents	$ (558.8)	$ 360.3

(a) Amounts are restated for the nine months ended September 30, 2021. See Note 2 in the notes to the accompanying unaudited condensed consolidated financial statements for more information.

Operating activities

Net cash provided by operating activities consists of net income (loss) adjusted for certain non-cash items and changes in other assets and liabilities.

For the nine months ended September 30, 2022, net cash provided by operating activities of $135.9 million was primarily a result of:

- net income of $48.2 million adjusted for non-cash expenses, including depreciation and amortization of $101.6 million, equity-based compensation of $38.4 million, and revaluation of contingent liabilities of $(37.2) million;

partially offset by:

- an impact from working capital of $(24.5) million, which includes $19.9 million of additional funds deposited in our sponsor bank merchant settlement account to facilitate gross card transaction deposits for those customers we bill on a monthly, versus a daily basis, and $19.4 million of capitalized customer acquisition costs.

For the nine months ended September 30, 2021, net cash provided by operating activities of $6.3 million was primarily a result of:

- net loss of $60.3 million, which includes $25.1 million of nonrecurring payments to our merchants and partners due to the TSYS outage and associated costs incurred in the third quarter of 2021, adjusted for non-cash expenses, including depreciation and amortization of $76.8 million, equity-based compensation of $26.9 million, and provision for bad debts of $10.3 million;

partially offset by:

- an impact from working capital of $(48.6) million, which is primarily a result of $25.3 million of funds deposited in our sponsor bank merchant settlement account to facilitate gross card transaction deposits for those customers we bill on a monthly, versus a daily basis and $19.3 million of capitalized customer acquisition costs.

Investing activities

Net cash used in investing activities includes cash paid for acquisitions, purchases of future commission streams of our software partners, purchases of property, plant and equipment, purchases of equipment to be leased, capitalized software development costs, and investments in non-marketable securities.

Net cash used in investing activities was $483.0 million for the nine months ended September 30, 2022, an increase of $340.3 million compared to net cash used in investing activities of $142.7 million for the nine months ended September 30, 2021. This increase was primarily the result of:

- higher residual commission buyouts of $263.8 million as a result of our mass strategic buyout program completed in the three months ended September 30, 2022 in support of our strategic initiative to insource our sales distribution network;
- the acquisition of Online Payments Group in September 2022 for $125.9 million in aggregate purchase consideration, including $62.8 million in cash, net of cash acquired of $11.3 million;
- the acquisitions of Pinnacle, FPOS, RCS, and three other restaurant technology partners between July and August 2022 for $80.3 million in aggregate purchase consideration, including $59.9 million in cash, net of cash acquired of $3.2 million;

- the acquisition of The Giving Block in March 2022 for $106.9 million in aggregate purchase consideration, including $12.6 million in cash, net of cash acquired of $4.2 million; and
- higher capitalized software development costs of $18.7 million;

partially offset by:

- the acquisition of VenueNext in March 2021 for $68.5 million in aggregate purchase consideration, including $40.6 million in cash, net of cash acquired of $1.6 million;
- the investment in SpaceX of $27.5 million in the nine months ended September 30, 2021; and
- the acquisition of Postec in September 2021 for $14.0 million, net of cash acquired of $1.7 million.

Financing activities

Net cash used in financing activities was $211.4 million for the nine months ended September 30, 2022, a decrease of $708.1 million, compared to net cash provided by financing activities of $496.7 million for the nine months ended September 30, 2021. This decrease was primarily the result of:

- the net proceeds from the 2027 Convertible Notes during the nine months ended September 30, 2021 of $617.7 million;
- payments for the repurchase of common stock of $185.9 million during the nine months ended September 30, 2022 pursuant to the Programs; and
- payments associated with solicitation for the 2026 Senior Notes in March 2022 of $4.5 million;

partially offset by:

- lower employee taxes paid on vested RSUs of $99.1 million during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily the result of RSUs that vested in the nine months ended September 30, 2021 related to our IPO.

Convertible Notes, Senior Notes and Revolving Credit Facility

As of September 30, 2022 and December 31, 2021, we had $1,772.5 million total principal amount of debt outstanding, including $690.0 million of the Convertible Senior Notes due 2025 (“2025 Convertible Notes”), $632.5 million of 2027 Convertible Notes and $450.0 million of 2026 Senior Notes. See Note 10 to the accompanying unaudited condensed consolidated financial statements for more information about our debt.

On March 17, 2022, we announced the expiration of our Consent Solicitation Statement (the “Consent Solicitation Statement”), dated as of March 11, 2022, to amend the indenture related to the 2026 Senior Notes. In connection with the results of the Consent Solicitation Statement, we received the requisite consents to amend the indenture governing the 2026 Senior Notes and entered into a supplemental indenture to allow for the repurchase of capital stock as part of the Market Capitalization exception under the original indenture.

Revolving Credit Facility

The Revolving Credit Facility has a borrowing capacity of $99.5 million, net of a $0.5 million letter of credit. As of September 30, 2022, we had no outstanding borrowings under the Revolving Credit Facility.

Stock repurchases

On December 16, 2021, our Board authorized the December 2021 Program, pursuant to which we were authorized repurchase up to $100.0 million of shares of our Class A common stock through December 31, 2022. On May 11, 2022, the Board authorized the May 2022 Program, pursuant to which we were authorized to repurchase up to an additional $100.0 million of shares of our Class A common stock through December 31, 2022, and on June 15, 2022, the Board authorized the June 2022 Program pursuant to which we were authorized to repurchase up to an additional $50.0 million of shares of our Class A common stock through December 31, 2022.

In the nine months ended September 30, 2022, we repurchased 3,887,191 shares of Class A common stock for $184.4 million, including commissions paid, at an average price paid of $47.40 per share. As of September 30, 2022, approximately $44.5 million remained available for future purchases under the June 2022 Program. See Note 17 in the notes to the accompanying unaudited condensed consolidated financial statements for more information.

Cash Requirements

Our material cash requirements include the following contractual obligations.

Debt

As of September 30, 2022, we had $1,772.5 million of fixed rate debt outstanding with maturities beginning in 2025. Future interest payments associated with the outstanding debt total $109.5 million, with $24.0 million payable within twelve months.

Leases

As of September 30, 2022, we are obligated under non-cancellable operating leases for our premises, which expire through November 2030. Rent expense incurred under operating leases, which totaled $3.9 million for the nine months ended September 30, 2022, is included in "General and administrative expenses" in our accompanying unaudited Condensed Consolidated Statements of Operations.

Critical Accounting Estimates

Our discussion and analysis of our historical financial condition and results of operations for the periods described is based on our audited consolidated financial statements, and our accompanying unaudited condensed consolidated financial statements, each of which have been prepared in accordance with U.S. GAAP. The preparation of these historical financial statements in conformity with U.S. GAAP requires management to make estimates, assumptions and judgments in certain circumstances that affect the reported amounts of assets, liabilities and contingencies as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. We evaluate our assumptions and estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Additionally, the full impact of the COVID-19 pandemic is unknown and cannot be reasonably estimated. However, we have made accounting estimates for our allowance for doubtful accounts, valuation of our contingent liabilities, other intangible assets and goodwill based on the facts and circumstances available as of the reporting date. Actual results may differ from these estimates under different assumptions or conditions.

We have provided a summary of our significant accounting policies in Note 1 in the notes to the accompanying unaudited condensed consolidated financial statements. The following critical accounting discussion pertains to accounting policies management believes are most critical to the portrayal of our historical financial condition and results of operations and that require significant, difficult, subjective or complex judgments. Other companies in similar businesses may use different estimation policies and methodologies, which may impact the comparability of our financial condition, results of operations and cash flows to those of other companies.

New accounting pronouncements

For information regarding new accounting pronouncements, and the impact of these pronouncements on our unaudited condensed consolidated financial statements, if any, refer to Note 1 in the notes to the accompanying unaudited condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our future income, cash flows and fair values relevant to financial instruments are subject to risks relating to interest rates.

As of September 30, 2022, we had approximately $1,772.5 million of fixed rate debt outstanding pursuant to the Notes, with a fair value of $1,501.1 million, none of which was subject to an interest rate hedge. Since these Notes bear interest at fixed rates, they do not result in any financial statement risk associated with changes in interest rates. However, the fair value of these Notes fluctuates when interest rates change.

We also have a Revolving Credit Facility available to us with available borrowing capacity of $99.5 million, net of a $0.5 million letter of credit. We are obligated to pay interest on loans under the Revolving Credit Facility as well as other customary fees, including an upfront fee and an unused commitment fee based on our debt rating. Borrowings under the Revolving Credit Facility, if any, bear interest at floating rates. As a result, we are exposed to the risk related to fluctuations in interest rate to the extent of our borrowings. As of September 30, 2022 and December 31, 2021, we had no amounts outstanding under the Revolving Credit Facility. See "Liquidity and Capital Resources" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I, Item 2. of this Quarterly Report on Form 10-Q and Note 10 in the notes to the accompanying unaudited condensed consolidated financial statements for more information.

ITEM 4. CONTROLS AND PROCEDURES

Limitations on Effectiveness of Disclosure 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 the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act).

Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2022, due to the material weakness in our internal control over financial reporting described below, our disclosure controls and procedures were not effective at the reasonable assurance level. In light of the material weakness, we performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. generally accepted principles. Accordingly, management concluded that the financial statements included in this Quarterly Report on Form 10-Q present fairly in all material respects our financial position, results of operations and cash flows for each of the periods presented.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management identified a material weakness related to a lack of an effectively designed control activity over the classification of customer acquisition costs within our Consolidated Statements of Cash Flows. The associated error related to the historical classification of customer acquisition costs within our Consolidated Statements of Cash Flows resulted in the restatement of the Company's previously filed consolidated financial statements as of and for the years ended December 31, 2021, 2020 and 2019 and for each of the quarterly periods ended September 30, 2021, March 31, 2022 and June 30, 2022. Additionally, the material weakness could result in a material misstatement of the aforementioned account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Remediation Plan for the Material Weakness

In order to remediate the material weakness, the Company's management plans to enhance the design of its control activity over the classification of customer acquisition costs within our Consolidated Statements of Cash Flows. The material weakness cannot be considered remediated until the newly designed control activity operates for a sufficient period of time and management has concluded, through testing, that the control is operating effectively.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are, from time to time, party to various claims and legal proceedings arising out of our ordinary course of business, but we do not believe that any of these existing claims or proceedings will have a material effect on our business, consolidated financial condition or results of operations.

ITEM 1A. RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks described under the heading "Risk Factors" in Part I, Item 1A. of our 2021 Form 10-K/A, the other information in this Quarterly Report on Form 10-Q, including our unaudited condensed consolidated financial statements and the related notes, as well as our other public filings with the SEC, before deciding to invest in our Class A common stock. There have been no material changes to the Company's risk factors previously disclosed in our 2021 Form 10-K/A. The occurrence of any of the events described therein could harm our business, financial condition, results of operations, liquidity or prospects. In such an event, the market price of our Class A common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following is a list of exhibits filed as part of this Quarterly Report on Form 10-Q.

INDEX TO EXHIBITS

		Incorporated by Reference				
Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed/Furnished Herewith
3.1	Amended and Restated Certificate of Incorporation of Shift4 Payments, Inc.	S-8	333-239042	4.1	06/09/2020	
3.2	Amended and Restated By-Laws of Shift4 Payments, Inc.	S-8	333-239042	4.2	06/09/2020	
4.1	Specimen Stock Certificate evidencing the shares of Class A common stock.	S-1/A	333-238307	4.1	06/01/2020	
4.2	Indenture, by and among Shift4 Payments, LLC, Shift4 Payments Finance Sub, Inc. the subsidiary guarantors named therein and U.S. Bank National Association, as trustee, dated October 29, 2020 (and Form of Global Note).	8-K	001-39313	4.1	10/29/2020	
4.3	Indenture, dated as of December 7, 2020, between Shift4 Payments, Inc. and U.S. Bank National Association, as trustee (and Form of Global Note).	8-K	001-39313	4.1	12/07/2020	

4.4	Indenture, dated as of July 26, 2021, between Shift4 Payments, Inc. and U.S. Bank National Association, as trustee (and Form of Global Note).	8-K	001-39313	4.1	07/26/2021	
4.5	Fourth Supplemental Indenture dated March 16, 2022, 4.625% Senior Notes due 2026.	10-Q	001-39313	4.5	05/06/2022	
10.1	Employment Agreement, by and between Shift4 Payments, Inc. and Nancy Disman, dated August 3, 2022.					*
10.2	Separation Agreement, by and between Shift4 Payments, Inc. and Bradley Herring, dated August 3, 2022.					*
31.1	Certification of Registrant's Chief Executive Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Certification of Registrant's Chief Financial Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002.					*
32.1	Certification of Registrant's Chief Executive Officer, as required by Section 906 of the Sarbanes-Oxley Act of 2002.					**
32.2	Certification of Registrant's Chief Financial Officer, as required by 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.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					*
104	Cover Page Interactive Data File (formatting as Inline XBRL and contained in Exhibit 101).					*

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

Shift4 Payments, Inc.

		By:	*/s/ Jared Isaacman*
			Jared Isaacman
Date:	November 8, 2022		**Chief Executive Officer (principal executive officer)**
		By:	*/s/ Nancy Disman*
			Nancy Disman
Date:	November 8, 2022		**Chief Financial Officer (principal financial officer)**

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), dated as of August 3, 2022, effective as of August 5, 2022 (the "Effective Date"), is made by and between Shift4 Payments, Inc., a Delaware corporation (together with any successor thereto, the "Company"), and Nancy Disman ("Executive") (collectively referred to as the "Parties" or individually referred to as a "Party").

WHEREAS, it is the desire of the Company to assure itself of the services of Executive following the Effective Date and thereafter on the terms herein provided by entering into this Agreement; and

WHEREAS, it is the desire of Executive to provide services to the Company following the Effective Date and thereafter on the terms herein provided.

NOW, **THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Employment.

(a) General. Effective as of the Effective Date, the Company shall employ Executive and Executive shall remain in the employ of the Company, for the period and in the positions set forth in this Section 1, and subject to the other terms and conditions herein.

(b) Employment Term. The term of employment under this Agreement (the "Term") shall commence on the Effective Date and end on the third (3rd) anniversary of the Effective Date, subject to earlier termination as provided in Section 3 below. The Term shall automatically renew for additional twelve (12) month periods unless no later than ninety (90) days prior to the end of the applicable Term either Party gives written notice of non-renewal ("Notice of Non-Renewal") to the other, in which case Executive's employment will terminate at the end of the then-applicable Term, subject to earlier termination as provided in Section 3 below.

(c) Positions. Executive shall serve as the Chief Financial Officer of the Company with such responsibilities, duties and authority normally associated with such position and as may from time to time be reasonably assigned to Executive by the Board, as defined below. Executive shall report directly to the Chief Executive Officer. At the Company's request, Executive shall serve the Company and/or its subsidiaries and affiliates in such other capacities in addition to the foregoing as the Company shall designate, provided that such additional capacities are consistent with Executive's position as the Company's Chief Financial Officer. In the event that Executive serves in any one or more of such additional capacities, Executive's compensation shall not automatically be increased on account of such additional service.

(d) Duties. Executive shall devote substantially all of Executive's working time, attention and efforts to the business and affairs of the Company (which shall include service to its affiliates), except during any paid vacation or other excused absence periods. Executive shall not engage in outside business activities (including serving on outside boards or committees) without the prior written consent of the Board (which the Board may grant or withhold in its sole and absolute discretion); *provided* that Executive shall be permitted to serve on the board of directors of, or work for, any charitable, non-profit or community organization other than a competitor of the Company or where the Board reasonably determines there is an actual conflict of interest. Executive agrees to observe and comply with the rules and policies of the Company as adopted by the Company from time to time, in each case as amended from time to time, as set forth in writing, and as delivered or made available to Executive (each, a "Policy"), provided that the terms of such Policies do not conflict with the terms of this Agreement, in which case this Agreement shall control. For the avoidance of doubt, the Company acknowledges that Executive currently serves on the board of directors of ICIMS, Inc. and intends to serve as a member of the board of directors of Intrado, Inc., and Executive's service on such boards shall not be considered a breach of this Agreement, provided that such activities do not materially interfere with Executive's performance of Executive's duties and responsibilities hereunder.

(e) Location. Executive shall perform her duties hereunder remotely from Executive's home office in Melville, New York and will report to the Company headquarters located in Allentown, Pennsylvania, but from time to time Executive may be reasonably required to travel to other locations in the proper conduct of Executive's responsibilities under this Agreement and may fulfil her duties when traveling for other reasons.

2. Compensation and Related Matters.

(a) Annual Base Salary. During the Term, Executive shall receive a base salary at a rate of $350,000 per annum, which shall be paid in accordance with the customary payroll practices of the Company and shall be pro-rated for partial years of employment (the "Annual Base Salary").

(b) Signing Awards. The Company shall grant to Executive the following Sign-On Equity Award and Signing Bonus (each as defined below):

(i) A restricted stock unit (" RSU") award with a total aggregate grant date value equal to $12,000,000, with the number of shares of the Company's common stock ("Common Stock") covering the RSUs to be based upon the thirty calendar day volume weighted average of the Common Stock in the thirty (30) day period immediately prior to the Effective Date, (the "Sign-On Equity Award"). The Sign-On Equity Award shall vest in two parts: (1) $6,000,000 shall vest in two equal annual installments on each of the first two anniversaries of the Effective Date, subject to Executive's continued service through each vesting date (except as set forth in Section 4(a) hereof), and (2) $6,000,000 shall vest in three equal annual installments on each of the first three anniversaries of the Effective Date, subject to Executive's continued service through each vesting date (except as set forth in Section 4(a) hereof). The Sign-On Equity Award shall be granted as soon as reasonably practicable following the Effective Date and shall be subject to the approval of the Compensation Committee of the Board (the "Compensation Committee"). The Sign-On Equity Award shall be granted pursuant to the Amended and Restated Shift4 Payments, Inc. 2020 Incentive Award Plan (the " Plan") and RSU award agreement(s) to be entered into between the Company and Executive; which RSU award agreement(s) will provide that the relevant portion of any Sign-on Equity Award that becomes vested pursuant as described in this Section 2(b)(i) or Section 4(a) hereof will be settled in shares of Common Stock promptly, and in any event within ten (10) days following the applicable vesting date. Except in respect of the terms of the vesting and settlement set forth in this Section 2(b)(i) (in which case the terms of this Section 2(b)(i) shall control), in the event of any conflict or ambiguity between this Agreement and the Plan or the applicable award RSU agreement, the Plan and the RSU award agreement shall govern.

(ii) A cash payment in the total aggregate amount equal to $3,000,000 (the " Signing Bonus"). The Signing Bonus shall be paid in the following installments: (a) $2,000,000 will be payable on the first payroll date after the Effective Date, (b) $500,000 will be payable on the first anniversary of the Effective Date, subject to Executive's continued service through such date and (c) $500,000 will be payable on the second anniversary of the Effective Date, subject to Executive's continued service through such date. In the event that Executive's employment with the Company is terminated by the Company without Cause or by Executive for Good Reason prior to the second anniversary of the Effective Date, the Company shall be required to pay any remaining unpaid portion of the Signing Bonus to Executive within thirty days of such termination.

(c) Annual Bonus. During the Term, Executive will be eligible to participate in an annual incentive program established by the Board or the Compensation Committee. Executive's annual incentive compensation under such incentive program (the "Annual Bonus") shall be at the discretion of the Compensation Committee and the Board in accordance with the amounts and criteria applicable to the Executive as set forth in the Company's approved compensation plans.

(d) Annual Equity Awards. During the Term, Executive will be eligible to participate in the Company's equity incentive plans for executives and employees and receive annual equity awards thereunder, as determined at the discretion of the Compensation Committee and the Board and in accordance with the amounts and criteria applicable to the Executive as set forth in the Company's approved compensation plans; and subject to the terms of the Company's equity incentive plans and applicable award agreements by and between Executive and the Company (the "Annual Equity Awards"). The grant date value of any Annual Equity Award for calendar year 2022 shall be prorated based upon a fraction, the numerator of which is the number of days in calendar year 2022 following the Effective Date and the denominator of which is 365. In the event of any conflict or ambiguity between this Agreement and the Plan or the applicable award agreement, the Plan and the award agreement shall govern. All Annual Equity Awards will contain vesting terms that comply with the requirements of Section 4(a) hereof.

(e) Benefits. During the Term, Executive shall be eligible to participate in employee benefit plans, programs and arrangements as the Company may from time to time offer to provide to its executives, consistent with the terms thereof and as such plans, programs and arrangements may be amended from time to time. Notwithstanding the foregoing, nothing herein is intended, or shall be construed, to require the Company to institute or continue any, or any particular, plan or benefit.

(f) Vacation; Holidays. During the Term, Executive shall be entitled to paid vacation per calendar year (pro-rated for partial years) in accordance with the Policies, but in any event not less than four (4) weeks of paid vacation per year. Any vacation shall be taken at the reasonable and mutual convenience of the Company and Executive. In addition, the Company offers employees time off for standard Company holidays in accordance with the Policies.

(g) Business Expenses. During the Term, the Company shall reimburse Executive for all reasonable travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's expense reimbursement policy in effect from time to time.

(i) Automobile Expenses. The Company shall reimburse Executive for up to $2,000.00 per month to cover the expenses related to an automobile, auto insurance, gasoline, maintenance of such automobile and other automobile related expenses.

(ii) Home Office Expenses. In accordance with the Company's expense reimbursement policy in effect from time to time, the Company shall reimburse Executive for up to $2,000.00 per month in home office expenses.

(iii) Professional Development. The Company shall reimburse Executive for up to $2,000.00 per month for executive development, continuing education, and licensing expenses.

(h) Indemnification. The Company hereby agrees to indemnify Executive and hold Executive harmless to the fullest extent permitted under the organizational documents of the Company and applicable law against and in respect of any and all actions, suits, proceedings, claims, demands, judgments, costs, expenses (including reasonable attorney's fees), losses, and damages (including advancement of fees and expenses) resulting from Executive's good faith performance of Executive's duties and obligations with the Company hereunder, and also including the six month period prior to the Effective Date. The Company shall cover Executive under directors' and officers' liability insurance both during and, while potential liability exists, after the Term in the same amount and to the same extent as the Company covers its other officers and directors. The foregoing obligations shall survive the termination of Executive's employment with the Company, and shall be in addition to any other indemnification rights Executive is entitled to, under existing indemnification agreements or otherwise.

3. Termination.

(a) Circumstances. Executive's employment hereunder may be terminated by the Company or Executive, as applicable, without any breach of this Agreement under the following circumstances:

(i) *Death*. Executive's employment hereunder shall terminate upon Executive's death.

(ii) *Disability*. If Executive has incurred a Disability, as defined below, the Company may terminate Executive's employment.

(iii) *Termination for Cause.* The Company may terminate Executive's employment for Cause, as defined below.

(iv) *Termination without Cause*. The Company may terminate Executive's employment without Cause, which shall include Executive's termination as a result of the Company delivering a Notice of Non-Renewal.

(v) *Resignation from the Company for Good Reason.* Executive may resign Executive's employment with the Company for Good Reason, as defined below.

(vi) *Resignation from the Company without Good Reason*. Executive may resign Executive's employment with the Company for any reason other than Good Reason or for no reason, which shall include Executive's termination as a result of Executive delivering a Notice of Non-Renewal.

(b) Notice of Termination. During the Term, any termination of Executive's employment by the Company or by Executive under this Section 3 (other than termination pursuant to Section 3(a)(i) above) shall be communicated by a written notice (a "Notice of Termination") to the other Party hereto (i) indicating the specific termination provision in this Agreement relied upon, (ii) setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, if applicable, and (iii) specifying a Date of Termination (as defined below). The failure by either party to set forth in the Notice of Termination any fact or circumstance shall not waive any right of the party hereunder or preclude the party from asserting such fact or circumstance in enforcing the party's rights hereunder.

(c) Termination Date. For purposes of this Agreement, "Date of Termination" shall mean the date of the termination of Executive's employment with the Company, which, if Executive's employment is terminated as a result of Executive's death, will be the date of Executive's death, and otherwise shall be the date specified in a Notice of Termination. Except in the case of a termination pursuant to Sections 3(a)(i) and (iii) above, the Date of Termination shall be at least thirty (30) days following the date of the Notice of Termination; *provided, however*, that the Company may deliver a Notice of Termination to Executive that specifies any Date of Termination that occurs on or after the date of its Notice of Termination and, in the event that Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, change the Date of Termination to any date that occurs on or following the date of the Notice of Termination and is prior to the Date of Termination specified in the Notice of Termination.

4. Obligations upon a Termination of Employment.

(a) Company Obligations upon Termination. Upon termination of Executive's employment pursuant to Sections 3(a)(iv) or 3(a)(v), Executive (or Executive's estate) shall be entitled to receive each of the following, subject to the Executive's execution and non-revocation of a general waiver and release of claims agreement in the Company's customary form: (i) the portion of Executive's Annual Base Salary earned through the Date of Termination, but not yet paid to Executive; (ii) continued payment of Executive's Annual Base Salary for a period of twelve (12) months, in accordance with the Company's regular payroll practices, (iii) any unpaid Annual Bonus earned by Executive for the year prior to the year in which the Date of Termination occurs, as determined by the Board in its good faith discretion based upon actual performance achieved, which Annual Bonus, if any, shall be paid to Executive when bonuses for such year are paid to actively employed senior executives of the Company but in no event later than March 15 of the year in which the Date of Termination occurs; (iv) any accrued but unpaid paid vacation owed to Executive pursuant to Section 2(e) above, if applicable; and (v) any expenses owed to Executive pursuant to Sections 2(f) above and (vi) any amount accrued and arising from Executive's participation in, or benefits accrued under any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements (collectively, the "Company Arrangements"). In addition, following such Date of Termination any unvested portion of the Sign-On Equity Award and any unvested portion of any Annual Equity Awards will remain outstanding and eligible to be settled at the same time it otherwise would have settled had Executive remained employed on the applicable vesting date in accordance with its terms (without regard for any requirement of continued employment). Except as otherwise expressly required by law or as specifically provided in a Company Arrangement, this Section 4 or otherwise in this Agreement, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder.

(b) Upon termination of Executive's employment pursuant to any of the circumstances listed pursuant to Section 3(a)(iii) or (vi) above, Executive shall be entitled to (i) the portion of Executive's Annual Base Salary earned through the Date of Termination, but not yet paid to Executive; and (ii) any unpaid or unreimbursed expenses incurred by the Executive through the Termination Date in accordance with 2(f) above; and (iii) any amount accrued and arising from Executive's participation in the Company Arrangements. The amounts described in clauses (i) and (ii) shall be paid in a lump sum within 30 business days following the Termination Date and the benefits described in clause (iii) shall be paid in accordance with the Company Arrangements. In addition, in all cases Executive shall have the right to continue health care benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 at Executive's cost, to the extent required and available under applicable law.

(c) Executive's Obligations upon Termination.

(i) *Cooperation*. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder; *provided* the Company shall indemnify and hold harmless Executive with respect to any such cooperation and reimburse Executive for Executive's reasonable costs and expenses (including legal counsel selected by Executive and reasonably acceptable to the Company) and such cooperation shall not unreasonably burden Executive or unreasonably interfere with any subsequent employment that Executive may undertake.

(ii) *Return of Company Property*. Executive hereby acknowledges and agrees that all Personal Property (as defined below) and equipment furnished to, or prepared by, Executive in the course of, or incident to, Executive's employment, belongs to the Company and shall be promptly returned to the Company upon termination of Executive's employment (and will not be kept in Executive's possession or delivered to anyone else). For purposes of this Agreement, "Personal Property" includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, or materials, or copies thereof (including computer files), keys, building card keys, company credit cards, telephone calling cards, computer hardware and software, laptop computers, docking stations, cellular and portable telephone equipment, personal digital assistant (PDA) devices and all other proprietary information relating to the business of the Company or its subsidiaries or affiliates. Following termination, Executive shall not retain any written or other tangible material containing any proprietary information of the Company or its subsidiaries or affiliates.

(d) Continued Benefits Coverage upon a Termination. If Executive's employment terminates pursuant to Section 3(a)(iv) due to the Company's termination without Cause or Section 3(a)(v) due to Executive's resignation for Good Reason, then, subject to Executive's continued compliance with Section 5 below, Executive shall receive, in addition to payments and benefits set forth in Section 4(a) above, unless the Executive earlier receives healthcare through an alternate employer, twelve (12) months of payments for Executive and her eligible dependents to continue coverage under Section 4980B of the Code and the regulations thereunder (as if Executive had remained employed by the Company and based on coverage as of immediately prior to the Date of Termination), or receive monthly reimbursement during such 12-month period for equivalent coverage, payable, less applicable withholdings and deductions, monthly.

(e) Acceleration of Vesting upon a Change in Control. Notwithstanding anything to the contrary in this Agreement, any applicable Company equity plan or equity agreement, upon the occurrence of a Change in Control, the vesting (and, if applicable, exercisability) shall be accelerated (and, if applicable, all restrictions and rights of repurchase on such awards shall lapse), effective as of immediately prior to the date of such Change in Control, with respect to 100% of Executive's unvested time-based equity awards, and any such vested awards subject to exercisability shall, to the extent assumed, substituted or otherwise continued by the successor corporation in connection with such Change in Control, be exercisable by Executive up to the later of the outside exercise date set forth in such award and, if Executive's employment has terminated other than for Cause, one hundred eighty (180) days following the Date of Termination, after which date any such vested awards that have not been exercised shall be forfeited.

(f) No Requirement to Mitigate. Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or in any other manner and Executive shall continue to receive any payments or benefits to which she is entitled to under this Agreement regardless of whether she seeks or obtains subsequent employment. Notwithstanding anything to the contrary in this Agreement, the termination of Executive's employment shall not impair the rights or obligations of any Party.

5. Restrictive Covenants and Confidentiality.

(a) The Executive hereby agrees that the Executive shall not, at any time during the Restricted Period, directly or indirectly engage in, have any interest in (including, without limitation, through the investment of capital or lending of money or property), or manage, operate or otherwise render any services to, any Person (whether on her own or in association with others, as a principal, director, officer, employee, agent, representative, partner, member, security holder, consultant, advisor, independent contractor, owner, investor, participant or in any other capacity) that engages in (either directly or through any subsidiary or affiliate thereof) any business or activity which is competitive with any material service or product offering that, as of the Date of Termination, the Company or any entity owned by the Company anywhere in the United States. For these purposes, "competitive" entities shall consist of businesses that are competitive with, or substantially similar to, the Company's business as of the Date of Termination. Notwithstanding the foregoing, the Executive shall be permitted to acquire a passive stock or equity interest in such a business; provided that such stock or other equity interest acquired is not more than five percent (5%) of the outstanding interest in such business.

(b) The Executive hereby agrees that the Executive shall not, at any time during the Restricted Period, directly or indirectly, either for herself or on behalf of any other Person, recruit or otherwise solicit or induce any suppliers or customers of the Company to terminate its arrangement with the Company, or otherwise change its relationship with the Company. For these purposes, a "customer" of the Company shall be all Persons that have actually used the Company's services or purchased its products at any time prior to the expiration of the Restricted Period.

(c) In the event the terms of this Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action. Any breach or violation by the Executive of the provisions of this Section 5 shall toll the running of any time periods set forth in this Section 5 for the duration of any such breach or violation.

(d) As used in this Section 5, the term "Company" shall include the Company and any parent, affiliated, related and/or direct or indirect subsidiary entity thereof.

(e) The Executive acknowledges that during her employment with the Company, the Executive had access to, received and had been entrusted with Confidential Information (as defined below), which is considered secret and/or proprietary and has great value to the Company and that except for the Executive's engagement by the Company, the Executive would not otherwise have access to such Confidential Information. The Executive recognizes that all such Confidential Information is the property of the Company. Subject to Section 4(c), during and at all times after employment with the Company, the Executive shall keep all of the Confidential Information in confidence and shall not disclose any of the same to any other person, except in the proper course and scope of the Executive's duties or with the prior written consent of the Company. The Executive shall use her best efforts to prevent publication or disclosure of any Confidential Information and shall not, directly or indirectly, intentionally cause the Confidential Information to be used for the gain or benefit of any party outside of the Company or for the Executive's personal gain or benefit outside the scope of the Executive's engagement by the Company.

6. Assignment and Successors.

The Company may assign its rights and obligations under this Agreement to any of its affiliates or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise). This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and applicable Company Arrangements or other payments or benefits provided to Executive under this Agreement, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

7. Certain Definitions.

(a) "Board" shall mean the Board of Directors of the Company or an authorized committee of the Board.

(b) "Cause" shall mean a termination by the Company for one of the following reasons: (i) Executive's fraud or embezzlement with respect to the Company; (ii) Executive's breach of fiduciary duties to the Company; (iii) Executive's willful and continuing failure to substantially perform her obligations under this Agreement which continues for 30 days after Executive receives reasonable written notice detailing such failure; (iv) Executive's conviction or plea of nolo contendere or guilty in respect of a felony; or (vi) Executive's willful or grossly negligent misconduct that has resulted in a material adverse effect on the property, business, or reputation of the Company.

(c) "Change in Control" shall have the meaning set forth in the Shift4 Payments, Inc. 2020 Incentive Award Plan (or any successor thereto).

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder.

(e) "Confidential Information" shall mean all information or material (i) that is developed by the Company or any of its affiliates, relates to the business, operations, employees, customers and/or clients of the Company or any of its affiliates and, if disclosed, could reasonably cause non-de minimis harm to the interests of the Company and/or its affiliates, or (ii) which is either (A) marked "Confidential Information", "Proprietary Information" or with another similar marking, or (B) from all the relevant circumstances should reasonably be assumed by Executive to be confidential and proprietary to the Company. Confidential Information may include, but is not limited to, trade secrets, inventions, drawings, file data, documentation, diagrams, specifications, know-how, ideas, processes, formulas, models, flow charts, software in various stages of development, source codes, object codes, research and development procedures, research or development and test results, marketing techniques and materials, marketing and development plans, price lists, pricing policies, business plans, information relating to the Company and its customers and/or producers or other suppliers' identities, characteristics and agreements, financial information and projections, and employee files, in each case, whether disclosed or made available to Executive in writing, orally or by drawings or observation, or whether intangible or embodied in documentation, software, hardware or other tangible form. Confidential Information also includes any information described above which the Company obtains from another party and which the Company treats as proprietary or designates as Confidential Information, whether or not owned or developed by the Company. Notwithstanding the foregoing, Confidential Information shall not include any information that is (w) known by Executive as a result of Executive's experience in the Company's industry generally and not specific to the Company, (x) known to the public or becomes known to the public through no fault of Executive, (y) received by Executive on a non-confidential basis from a person that is not known to the Executive to be bound by an obligation of confidentiality to the Company or its affiliates, or (z) in Executive's possession prior to receipt from the Company or its affiliates, as evidenced by Executive's written records. Furthermore, nothing contained herein shall be deemed to prohibit any disclosure that is required by law or court order, provided that the Company is given reasonable prior notice and an opportunity to contest or minimize such disclosure.

(f) "Disability" shall mean any physical or mental impairment that prevents Executive from being able to substantially perform her duties with or without a reasonable accommodation by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted, or can be expected to last, for not less than ninety (90) days (whether or not occurring consecutively) during any period of twelve (12) consecutive months, with such determination of whether Executive is subject to a Disability to be made in good faith by the Board after consultation with a physician, selected by the Executive and approved by Board (which approval shall not be unreasonably withheld), who has examined and diagnosed Executive; provided, however, that any leave of absence under the Family and Medical Leave Act or other medical leaves permitted by the Company to other employees generally shall be excluded from this definition.

(g) "Good Reason" shall mean the occurrence of any of the following events or conditions without the Executive's written consent: (i) a material diminution in the Executive's authority, duties, responsibilities or reporting structure; (ii) a material diminution in the Executive's annual base compensation opportunity (i.e., base salary and target bonus amount); (iii) relocation of the Executive's principal workplace with the Company by greater than thirty-five (35) miles from her current workplace of her primary residence as set forth in Section 1(e) (which for avoidance of doubt shall not include a change of Executive's reporting to the Company's headquarters in a different location); (iv) Jared Isaacman is no longer serving as the Company's Chief Executive Officer; or (v) the Company materially breaches any other material term of this Agreement; provided that in the case of (i), (ii), (iii) and (v) above, if such event or condition is curable, (A) the Executive has provided the Company written notice at least ninety (90) days following the initial occurrence of any such event or condition, (B) the Company fails to cure such event within thirty (30) days thereafter; and (C) the Executive terminates her employment for Good Reason within thirty (30) days following the end of such cure period.

(h) "Person" shall mean any individual, natural person, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), incorporated or unincorporated association, governmental authority, firm, society or other enterprise, organization or other entity of any nature.

(i) "Restricted Period" shall mean the period from the Effective Date through the twelve (12) month anniversary of the Date of Termination.

8. Parachute Payments.

(a) Notwithstanding any other provisions of this Agreement or any Company Arrangement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 4 above, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the " Excise Tax"), then the Total Payments shall be reduced (in the order provided in Section 8(b) below) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; *provided*, in case of subclauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

(c) The Company will select an adviser with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax, *provided* that the adviser's determination shall be made based upon "substantial authority" within the meaning of Section 6662 of the Code, to make determinations regarding the application of this Section 8 (the "Independent Adviser"). The Independent Adviser shall provide its determination, together with detailed supporting calculations and documentation, to Executive and the Company within fifteen (15) business days following the date on which Executive's right to the Total Payments is triggered, if applicable, or such other time as requested by Executive (*provided*, that Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax) or the Company. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company. Any good faith determinations of the Independent Adviser made hereunder shall be final, binding and conclusive upon the Company and Executive.

(d) In the event it is later determined that to implement the objective and intent of this Section 8, (i) a greater reduction in the Total Payments should have been made, the excess amount shall be returned promptly by Executive to the Company or (ii) a lesser reduction in the Total Payments should have been made, the excess amount shall be paid or provided promptly by the Company to Executive, except to the extent the Company reasonably determines would result in imposition of an excise tax under Section 409A.

9. Work Made for Hire. In the course of her duties, Executive may create intellectual property rights in her work product that may be capable of protection under the copyright, trademark or patent laws of the United States or another country (the "Work Product"). The parties agree that any intellectual property rights in Work Product created by Executive shall be deemed Works Made for Hire and shall belong to and be the exclusive property of the Company. This shall include any rights created by 17 USC Section 201(b) as it relates to the Company's ownership of copyrights created by this Agreement. Executive further agrees to waive any and all claims for compensation or benefits derived from the creation, use or sale of such Work Product by the Company and shall execute all documents required to evidence ownership of said Work Product by the Company at the Company's request. In addition, Executive shall not be granted any type of license to use any work product for her own benefit. If for any reason, the Work Product is not considered a work made for hire under applicable law, Executive does hereby assign and transfer to the Company, its successors, and assigns, the entire right, title and interest in and to the copyright/patent and trademarks in the Work Product and any registrations and copyright/patent or trademark applications relating thereto and any renewals and extensions thereof; in and to all works based upon, derived from, or incorporating the Work Product; in and to all income, royalties, damages, claims and payments now or hereinafter due or payable with respect to the Work Product, and in all causes of action, either in law or in equity for past, present, or future infringement based on the copyrights/patents or trademarks, and in and to all rights corresponding to the foregoing throughout the world. Executive shall execute all papers and to perform such acts as the Company may deem necessary to secure for the Company or its designee the rights herein assigned.

10. Miscellaneous Provisions.

(a) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 5 through 10 of this Agreement will survive the termination of Executive's employment and the termination of the Term.

(b) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of New York without reference to the principles of conflicts of law of the State of New York or any other jurisdiction that would result in application of the laws of a jurisdiction other than the State of New York, and where applicable, the laws of the United States. In the event that any dispute shall arise among the Company and Executive as to any matter or thing covered hereby or as to the meaning of this Agreement, or to any state of facts which may arise, same shall be settled by the agreement of such parties, or if they are unable to agree, same shall be settled, upon written demand of any party hereto, by arbitration in Manhattan, New York before a single arbitrator, selection of the arbitrator and the conduct of the arbitration to be in accordance with the rules of the American Arbitration Association. Any award or decision rendered shall be made by means of a written opinion explaining the arbitrator's reasons for the award or decision, and the award or decision shall be final and binding upon the parties. The arbitrator may not amend or vary any provision of this Agreement. Judgment upon the award or decision rendered by the arbitrator may be entered in any court of competent jurisdiction. Refusal of any party to arbitrate shall entitle any other party hereto to specifically enforce this Agreement in a court of competent jurisdiction, and as a result of said refusal to arbitrate, the remaining parties shall be entitled to receive costs, reasonable attorney's fees and their share of the arbitration fee, if any, on a pro-rata basis. Arbitration by the parties shall take place at a time and place as may be agreed upon, but if no agreement shall be reached, then at the offices of the Company's attorneys at a time selected by the arbitrator. If the arbitrator determines, in his or her absolute discretion, that any party has (i) been in default hereof, (ii) instituted the arbitration proceeding without reasonable cause, or (iii) has taken an action or failed to take an action without reasonable cause which warranted the institution of the arbitration proceeding (each a "Defaulting Party"), as the case may be, the arbitrator shall have the right to award to the party or parties injured by such conduct an amount equal to the reasonable attorney's fees and costs incurred by such injured party in such proceedings, together with the actual cost of such arbitration proceedings itself. If the Defaulting Party does not pay to the other party the arbitration award within ten (10) days of written demand therefor, and the other party shall institute suit in a court of competent jurisdiction to enforce said decision, the Defaulting Party shall pay to the other party the reasonable attorney's fees and court costs incurred in such action. Nothing in this Section 10(b) is intended to preclude any party hereto from seeking, in an action in a court of competent jurisdiction, (i) specific performance of an obligation of any other party, or (ii) enforcement of rights hereunder after the entry of an Arbitration Award.

(c) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(d) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, to the Board at the Company's headquarters,

(ii) If to Executive, to the last address that the Company has in its personnel records for Executive, or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(e) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile or PDF shall be deemed effective for all purposes.

(f) Entire Agreement. The terms of this Agreement, any indemnification agreement between the Company and Executive, and any equity award agreement between the Company and Executive are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(g) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized representative of Company. By an instrument in writing similarly executed, Executive or a duly authorized representative of the Company may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(h) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the Term, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(i) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges that the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

(j) Whistleblower Protections and Trade Secrets. Notwithstanding anything to the contrary contained herein, nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies). Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(k) Section 409A.

(i) *General.* The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

(ii) *Separation from Service.* Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service").

(iii) *Specified Employee.* Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service with the Company or (B) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(iv) *Expense Reimbursements.* To the extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31st of the year following the year in which the expense was incurred; *provided*, that Executive submits Executive's reimbursement request promptly following the date the expense is incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(v) *Installments.* Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. Any payments subject to Section 409A that are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in the calendar year in which the consideration period or, if applicable, release revocation period ends, as necessary to comply with Section 409A.

11. Acknowledgements.

Each party acknowledges that such party has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the other party hereto, other than those contained in writing herein, and has entered into this Agreement freely based on such party's own judgment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year first above written.

SHIFT4 PAYMENTS, INC.

By:	*/s/ Jared Isaacman*
Name	**Jared Isaacman**
Title	**Chief Executive Officer**

EXECUTIVE

By:	*/s/ Nancy Disman*
	Nancy Disman

August 3, 2022

Brad Herring

Re: Employment Separation

Dear **Brad**:

This letter (the "Agreement") confirms the terms of the offer made to you by Shift4 Payments Inc. (the " Company") regarding the separation of your employment, effective as of 5:00PM EST on **August 5, 2022** (the "Separation Date"). If you sign and return this letter to me on or before **August 23, 2022**, it shall become a binding agreement between you and the Company, and you will receive the separation benefits described herein. If you do not timely sign and return it, or if you revoke it in accordance with the terms of Section 8(d), below, you will receive no payments or benefits from the Company after the Separation Date.

Your employment with the Company was terminated effective as of the Separation Date. The Company wishes to provide certain severance benefits to you, to assist you while you pursue other opportunities, and you wish to receive such severance benefits. Therefore, for the receipt of good and adequate consideration, you and the Company agree as follows.

1. Return of Company Property. You have returned all property of the Company including, without limitation, confidential information or copies of such information, or other documents or materials, equipment, or other property belonging to the Company.

2. Accrued Wages and Expenses. As soon as reasonably practicable following the Separation Date, the Company shall pay to you an amount equal to all earned wages owed to you through the Separation Date, including accrued, unused vacation or paid time off, base pay, bonuses and incentive compensation. You will submit for reimbursement in accordance with the Company's expense reimbursement policies and practices all unreimbursed business expenses incurred by you, so that the Company may promptly pay you.

3. Transition Services. You will continue to provide transition services as a consultant for a period of four weeks following the Separation Date. You will provide the following agreed-upon consulting services for approximately ten hours per week with regard to the business and operations of the Company: (i) consultation and participation with Company matters as reasonably requested by the Company; (ii) consultation and assistance with respect to services performed during the course of your employment with the Company; and (iii) communication of a message to key employees, customers and suppliers consistent with the direction of the Board of Directors or the Chief Executive Officer of the Company (collectively, the "Services"). In addition, you agree to cooperate reasonably with the Company in accomplishing a smooth and orderly transition of your prior employment responsibilities to other employees of the Company, particularly including pending maters on which you have the principal knowledge and background information.

4. Severance Payments. In consideration for your continued compliance with the Restrictive Covenants, within five (5) business days of the Effective Date as defined in Section 8(d), below, the Company will reinstate you to its payroll and will pay to you an aggregate amount equal to **$370,833**,

which shall be payable in installments during the period commencing as of the Effective Date and ending on December 31, 2022, in accordance with the Company's normal payroll practices and less applicable taxes, garnishments or other withholding required by law or authorized by you.

5 . COBRA. Subject to your valid election to continue healthcare coverage under Section 4980B of the Code and the regulations thereunder, the Company will continue to provide group health coverage to you and your dependents based on your elections under the Company's group health plans in effect immediately prior to the Separation Date and at the same cost to you that would have applied if your employment had not ceased (the "Benefit Continuation"), which Benefit Continuation shall be provided during the period commencing on the Separation Date and ending on the earlier to occur of (a) December 31, 2022 and (b) the date you become eligible for healthcare coverage from a subsequent employer.

6 . Restricted Stock Units. As of the Separation Date, you held the restricted stock unit awards as indicated in the Report attached as Exhibit A hereto (the "RSU Awards"). Notwithstanding anything to the contrary in the applicable equity plans, notices of grant and restricted stock unit or other equity award agreements (such award agreements, the "Award Agreements"), your RSU Awards will remain outstanding and eligible to be settled at the same time such RSU Awards would otherwise have settled had you remain employed on the applicable vesting date in accordance with their terms (without regard for any requirement of continued employment); and, provided, further, that. notwithstanding the foregoing, if you violate the Restrictive Covenants (as defined below) all RSU Awards that have not theretofore settled shall be immediately forfeited and the Company may require you to disgorge or return to the Company any RSU Awards and/or the shares issuable pursuant thereto, including any amounts or profits realized by you in connection with such RSU Awards or the sale of shares issuable pursuant thereto..

7 . Acknowledgment of Your Continuing Obligations to the Company . In conjunction with your employment by the Company, you are subject to certain restrictive covenants as set forth in the Award Agreements and in Sections 10 and 12 hereof (the " Restrictive Covenants"); provided, that, notwithstanding the foregoing, the Company hereby agrees to waive any post-termination non-competition restrictions set forth in the Award Agreements and you shall no longer be subject thereto. You acknowledge and agree to comply with all continuing obligations under the Restrictive Covenants, including but not limited to your obligations with respect to proprietary information, Company inventions, to return Company documents, not to disparage the Company or its representatives and not to solicit or attempt to solicit any employee, consultant or independent contractor of the Company. Notwithstanding the foregoing, or anything contained in the Restrictive Covenants, you acknowledge that you will not be held criminally or civilly liable for (a) the disclosure of confidential or proprietary information or trade secrets that is made in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (b) disclosure of confidential or proprietary information or trade secrets in a made in a complaint or other document filed in a lawsuit or other proceeding under seal or pursuant to court order. In the event you materially breach any Restrictive Covenants, your right to the payments and benefits set forth in Sections 4 and 5 above will immediately cease and you shall promptly reimburse the Company for the value of any such payments or benefits provided.

8 . General Release. You agree not to sue, or otherwise file any claim against, the Company or any of its directors, officers, managers, employees or agents for any reason whatsoever based on anything that has occurred as of the date you sign this Agreement.

a) On behalf of yourself and your executors, administrators, heirs and assigns, you hereby release and forever discharge the " Releasees" hereunder, consisting of the Company, and each of its owners, directors, officers, managers, employees, agents and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which you now have or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof, including, without limiting the generality of the foregoing, any Claims arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever your employment by the Company or the separation thereof, including without limitation any and all claims arising under federal, state, or local laws relating to employment, claims of any kind that may be brought in any court or administrative agency, any claims arising under the Age Discrimination in Employment Act ("ADEA"), as amended, 29 U.S.C. § 621, et seq.; the Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act , 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq. the Fair Labor Standards Act, 29 U.S.C. § 215 et seq., the Sarbanes-Oxley Act of 2002; the Georgia Fair Employment Practices Act; the Pennsylvania Human Relations Act, the Pennsylvania Whistleblower Law, and the Philadelphia Fair Practices Ordinance; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

b) In accordance with the Older Workers Benefit Protection Act of 1990, you acknowledge that you are aware of the following:

(i) This paragraph, and this Agreement are written in a manner calculated to be understood by you.

(ii) The waiver and release of claims under the ADEA contained in this Agreement does not cover rights or claims that may arise after the date on which you sign this Agreement.

(iii) This Agreement provides for consideration in addition to anything of value to which you are already entitled.

(iv) You have been advised to consult an attorney before signing this Agreement.

(v) You have been granted twenty-one (21) days after you are presented with this Agreement to decide whether or not to sign it. If you execute this Agreement prior to the expiration of such period, you do so voluntarily and after having had the opportunity to consult with an attorney, and hereby waive the remainder of the twenty-one (21) day period.

(vi) You have the right to revoke this Agreement within seven (7) days of signing it. In the event this Agreement is revoked, it will be null and void in its entirety, and you will not receive the benefits of this Agreement.

If you wish to revoke this Agreement, you must deliver written notice stating that intent to revoke to **Jordan Frankel at jfrankel@shift4.com** on or before 5:00 p.m. on the seventh (7^{th}) day after the date on which you sign this Agreement. The eighth day following your execution of this Agreement shall be the "Effective Date."

9. Requests for References. All external requests for references should be directed to Human Resources, who/which will confirm only your job title and dates of employment.

10. Confidentiality. You acknowledge that during your employment with the Company, you acquired and developed knowledge of and information constituting or concerning confidential or proprietary information of the Company; except as otherwise provided in this Agreement, you will not to disclose any such information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever unless authorized in advance in writing to do so by the Company, or to use any such information for your own benefit or the benefit of any person, firm, corporation, association or other entity, for so long as such information is or remains confidential and is not generally known to the public or in the industry, excluding disclosure to the public through unlawful means.

11. Employee's Representations. You represent and warrant that:

a) You have returned to the Company all Company property in your possession;

b) You are not owed wages, commissions, bonuses or other compensation, other than as set forth in this Agreement;

c) During the course of your employment you did not sustain any injuries for which you might be entitled to compensation pursuant to worker's compensation law; and

d) You have not initiated any adversarial proceedings of any kind against the Company or against any other person or entity released herein, nor will you do so in the future, except as specifically allowed by this Agreement.

12. Non-Disparagement. You agree not to disparage or defame the Company, its directors, officers and employees, Company products or services, or any other Releasee, publicly or privately, directly or

indirectly through others, by use of any words, actions, gestures or medium, including but not limited to on social media or other internet site, and you agree that you otherwise will refrain from making any direct or indirect public comments or statements about the Company, its directors, officers and employees, Company products or services, or any Releasee. For the purposes of the preceding sentence, "public" statements are those which are intended to be disseminated or that could reasonably be expected to be disseminated directly or indirectly to the public. Notwithstanding the foregoing, nothing in this Section 12 or this Agreement shall prevent you from (a) testifying truthfully in response to a subpoena or other legal process; (b) discussing terms and conditions of your employment with the Company, as permitted by the National Labor Relations Act, including but not limited to discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful; or (c) communicating directly with, cooperating with, or providing information to, any federal, state or local government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice.

13. Severability. The provisions of this Agreement are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or the enforceability of any other provision. You represent that you have thoroughly read and considered all aspects of this Agreement, that you understand all of its provisions, and that you are voluntarily entering into this Agreement.

14. Governing Law and Attorneys' Fees. This Agreement will in all respects be interpreted, enforced and governed under the laws of the State of Delaware, without regard to the conflicts of laws rules thereof. In the event that any dispute shall arise among the Company and you as to any matter or thing covered hereby or as to the meaning of this Agreement or your employment with the Company, or to any state of facts which may arise, same shall be settled by the agreement of such parties, or if they are unable to agree, same shall be settled, upon written demand of any party hereto, by arbitration in Wilmington, Delaware before a single arbitrator, selection of the arbitrator and the conduct of the arbitration to be in accordance with the rules of the American Arbitration Association. Any award or decision rendered shall be made by means of a written opinion explaining the arbitrator's reasons for the award or decision, and the award or decision shall be final and binding upon the parties. The arbitrator may not amend or vary any provision of this Agreement. Judgment upon the award or decision rendered by the arbitrator may be entered in any court of competent jurisdiction. Refusal of any party to arbitrate shall entitle any other party hereto to specifically enforce this Agreement in a court of competent jurisdiction, and as a result of said refusal to arbitrate, the remaining parties shall be entitled to receive costs, reasonable attorney's fees and their share of the arbitration fee, if any, on a pro-rata basis. Arbitration by the parties shall take place at a time and place as may be agreed upon, but if no agreement shall be reached, then at the offices of the Company's attorneys at a time selected by the arbitrator. If the arbitrator determines, in his or her absolute discretion, that any party has (i) been in default hereof, (ii) instituted the arbitration proceeding without reasonable cause, or (iii) has taken an action or failed to take an action without reasonable cause which warranted the institution of the arbitration proceeding (each a "Defaulting Party"), as the case may be, the arbitrator shall have the right to award to the party or parties injured by such conduct an amount equal to the reasonable attorney's fees and costs incurred by such injured party in such proceedings, together with the actual cost of such arbitration proceedings itself. If the Defaulting Party does not pay to the other party the arbitration award within ten (10) days of written demand therefor, and the other party shall institute suit in a court of competent jurisdiction to enforce said decision, the Defaulting Party shall pay to the other party the reasonable attorney's fees and court costs incurred in such action. Nothing in this Section 14 is intended to preclude any party hereto from seeking, in an action in a court of competent jurisdiction, (i) specific performance of an obligation of any other party, or (ii) enforcement of rights hereunder after the entry of an Arbitration Award.

15. Integrated Agreement. This Agreement, together with the Restrictive Covenants, sets forth the entire agreement between you and Company and supersedes and replaces any and all prior oral or written agreements or understandings between you and Company. You represent that you have signed this Agreement voluntarily.

16. Amendment of this Agreement. This Agreement may not be altered, amended, or modified except by a further written document signed by you and an authorized representative of Company.

17. Execution in Counterparts. This Agreement may be executed in counterparts with the same force and effectiveness as though executed in a single document. Facsimile signatures shall have the same force and effectiveness as original signatures.

If the above terms are agreeable to you, please date and sign the original of this letter in the place indicated below and return it to me on or before August 23, 2022.

Very truly yours,

SHIFT4 PAYMENTS, INC.

Accepted and agreed to on this 3rd day of August 2022.

/s/ Brad Herring

Brad Herring

Exhibit A

RSU Awards

Vesting/Settlement Date	Restricted Stock Units
12/08/2022	4,226
03/09/2023	12,448
06/08/2023	5,798
12/08/2023	4,228
03/09/2024	12,449
12/08/2024	2,309
03/09/2025	9,536
Total Equity Consideration:	**50,994**

Exhibit 31.1

CERTIFICATION

I, Jared Isaacman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Shift4 Payments, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 8, 2022

By: /s/Jared Isaacman

Jared Isaacman

Chief Executive Officer

(principal executive officer)

Exhibit 31.2

CERTIFICATION

I, Nancy Disman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Shift4 Payments, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 8, 2022

By: /s/ Nancy Disman

Nancy Disman

Chief Financial Officer

(principal financial officer)

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Shift4 Payments, Inc. (the "Company") for the period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: November 8, 2022

By: /s/ Jared Isaacman

Jared Isaacman

Chief Executive Officer

(principal executive officer)

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

In connection with the Quarterly Report on Form 10-Q of Shift4 Payments, Inc. (the "Company") for the period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: November 8, 2022	By:	/s/ Nancy Disman
		Nancy Disman
		Chief Financial Officer
		(principal financial officer)