



REPAY<sup>®</sup>

Realtime Electronic Payments

## Q2 2023 Earnings Supplement

August 2023

# Disclaimer

Repay Holdings Corporation ("REPAY" or the "Company") is required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). Such filings, which you may obtain for free at the SEC's website at <http://www.sec.gov>, discuss some of the important risk factors that may affect REPAY's business, results of operations and financial condition.

On July 11, 2019, Thunder Bridge Acquisition Ltd. ("Thunder Bridge") and Hawk Parent Holdings LLC ("Hawk Parent") completed their previously announced business combination under which Thunder Bridge acquired Hawk Parent, upon which Thunder Bridge changed its name to Repay Holdings Corporation.

## Forward-Looking Statements

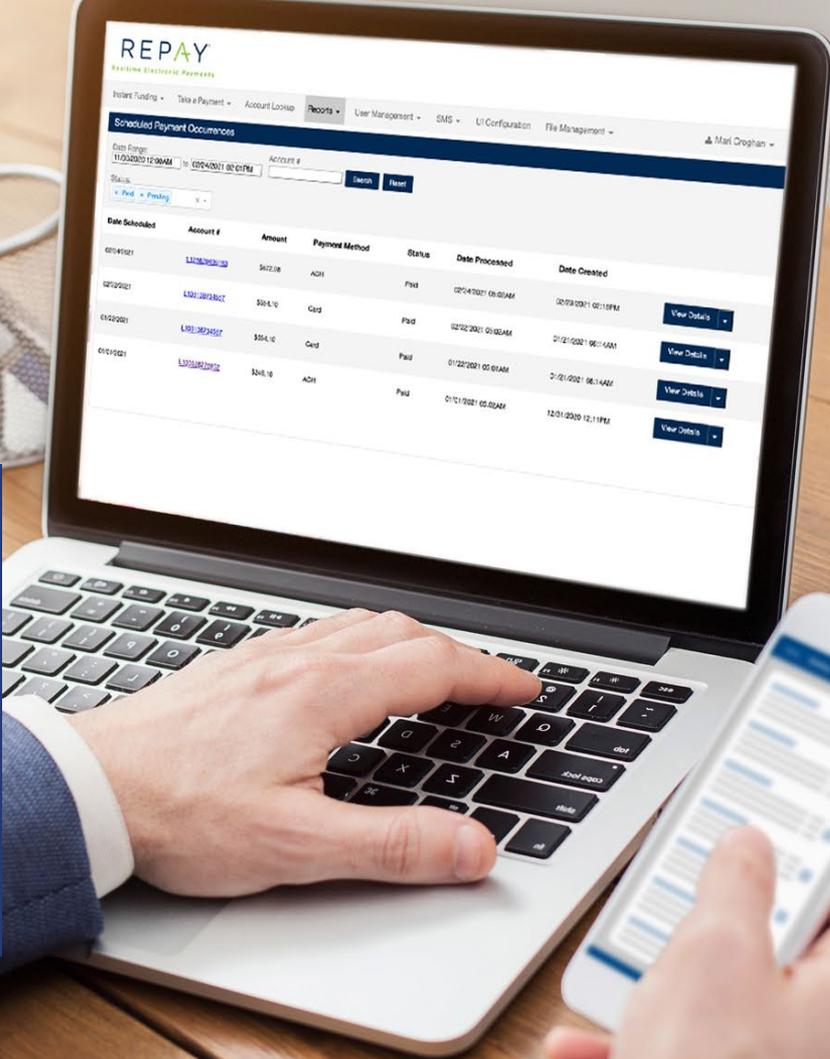
This presentation (the "Presentation") contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, REPAY's plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "believe," "intend," "plan," "projection," "outlook" or words of similar meaning. These forward-looking statements include, but are not limited to, REPAY's 2023 outlook and other financial guidance, expected demand on REPAY's product offering, including further implementation of electronic payment options and statements regarding REPAY's market and growth opportunities, and REPAY's business strategy and the plans and objectives of management for future operations. Such forward-looking statements are based upon the current beliefs and expectations of REPAY's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond REPAY's control. In addition to factors previously disclosed in REPAY's reports filed with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2022 and subsequent Form 10-Qs, the following factors, among others, could cause actual results and the timing of events to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: exposure to economic conditions and political risk affecting the consumer loan market, the receivables management industry and consumer and commercial spending, including bank failures or other adverse events affecting financial institutions, inflationary pressures, general economic slowdown or recession; changes in the payment processing market in which REPAY competes, including with respect to its competitive landscape, technology evolution or regulatory changes; changes in the vertical markets that REPAY targets, including the regulatory environment applicable to REPAY's clients; the ability to retain, develop and hire key personnel; risks relating to REPAY's relationships within the payment ecosystem; risk that REPAY may not be able to execute its growth strategies, including identifying and executing acquisitions; risks relating to data security; changes in accounting policies applicable to REPAY; and the risk that REPAY may not be able to maintain effective internal controls. Actual results, performance or achievements may differ materially, and potentially adversely, from any projections and forward-looking statements and the assumptions on which those forward-looking statements are based. There can be no assurance that the data contained herein is reflective of future performance to any degree. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance. All information set forth herein speaks only as of the date hereof in the case of information about REPAY or the date of such information in the case of information from persons other than REPAY, and REPAY disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this Presentation. Forecasts and estimates regarding our industry and end markets are based on sources REPAY believes to be reliable, however there can be no assurance these forecasts and estimates will prove accurate in whole or in part. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

## Industry and Market Data

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## Non-GAAP Financial Measures

This Presentation includes certain non-GAAP financial measures that REPAY's management uses to evaluate its operating business, measure its performance and make strategic decisions. Adjusted EBITDA is a non-GAAP financial measure that represents net income prior to interest expense, tax expense, depreciation and amortization, as adjusted to add back certain charges deemed to not be part of normal operating expenses, non-cash and/or non-recurring charges, such as loss on business disposition, loss on extinguishment of debt, loss on termination of interest rate hedge, non-cash change in fair value of contingent consideration, non-cash change in fair value of assets and liabilities, share-based compensation charges, transaction expenses, restructuring and other strategic initiative costs and other non-recurring charges. Adjusted Net Income is a non-GAAP financial measure that represents net income prior to amortization of acquisition-related intangibles, as adjusted to add back certain charges deemed to not be part of normal operating expenses, non-cash and/or non-recurring charges, such as loss on business disposition, loss on extinguishment of debt, loss on termination of interest rate hedge, non-cash change in fair value of contingent consideration, non-cash change in fair value of assets and liabilities, share-based compensation expense, transaction expenses, restructuring and strategic initiative costs and other non-recurring charges, non-cash interest expense, net of tax effect associated with these adjustments. Adjusted Net Income is adjusted to exclude amortization of all acquisition-related intangibles as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. Management believes that the adjustment of acquisition-related intangible amortization supplements GAAP financial measures because it allows for greater comparability of operating performance. Although management excludes amortization from acquisition-related intangibles from REPAY's non-GAAP expenses, management believes that it is important for investors to understand that such intangibles were recorded as part of purchase accounting and contribute to revenue generation. Each of "organic card payment volume growth," "organic revenue growth," and "organic gross profit (GP) growth" is a non-GAAP financial measure that represents the percentage change in the applicable metric for a fiscal period over the comparable prior fiscal period, exclusive of any incremental amount attributable to acquisitions or divestitures made in the comparable prior fiscal period or any subsequent fiscal period through the applicable current fiscal period. Any financial measure (whether GAAP or non-GAAP) that is modified by "excl. political media" or "normalized" (such as Normalized Organic GP Growth) is a non-GAAP financial measure that measures a defined growth rate exclusive of the estimated contribution from political media clients in the prior corresponding period. Free Cash Flow and Adjusted Free Cash Flow are non-GAAP financial measures that represent net cash flow provided by operating activities less total capital expenditures, and Adjusted Free Cash Flow is further adjusted to add back certain charges deemed to not be part of normal operating expenses and/or non-recurring charges, such as transaction expenses, restructuring and other strategic initiative costs and other non-recurring charges. REPAY believes that each of the non-GAAP financial measures referenced in this paragraph provide useful information to investors and others in understanding and evaluating its operating results in the same manner as management. However, these non-GAAP financial measures are not financial measures calculated in accordance with GAAP and should not be considered as a substitute for net income, operating profit, or any other operating performance measure calculated in accordance with GAAP. Using these non-GAAP financial measures to analyze REPAY's business has material limitations because the calculations are based on the subjective determination of management regarding the nature and classification of events and circumstances that investors may find significant. In addition, although other companies in REPAY's industry may report measures titled with the same or similar description, such non-GAAP financial measures may be calculated differently from how REPAY calculates its non-GAAP financial measures, which reduces their overall usefulness as comparative measures. Because of these limitations, you should consider each of the non-GAAP financial measures referenced in this paragraph alongside other financial performance measures, including net income and REPAY's other financial results presented in accordance with GAAP.



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## Financial Update & Outlook



## We remain positioned for another year of profitable growth in 2023

We will continue to take advantage of the many secular trends towards frictionless digital payments that have been, and will continue to be, a tailwind driving our business

# Second Quarter 2023 Financial Highlights

REPAY's Unique Model Translates Into a Highly Attractive Financial Profile



CARD PAYMENT  
VOLUME

\$6.3Bn

(+1%)

(+3% organic)<sup>(2)</sup>



REVENUE

\$71.8MM

(+6%)

(+9% organic)<sup>(2)</sup>



GROSS PROFIT<sup>(1)</sup>

\$54.9MM

(+8%)

(+12% organic)<sup>(2)</sup>



ADJUSTED EBITDA<sup>(3)</sup>

\$30.3MM

(+10%)

(Represents YoY Growth)

1) Gross profit represents revenue less costs of services

2) Represents organic growth (a non-GAAP financial measure) for each applicable metric. See slide 1 under "Non-GAAP Financial Measures." See slides 28, 29, and 30 for reconciliation

3) Adjusted EBITDA is a non-GAAP financial measure. See slide 1 under "Non-GAAP Financial Measures." See slide 24 for reconciliation

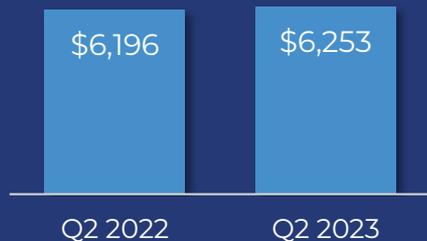
# Financial Update – Q2 2023 (\$MM)



## Card Payment Volume

3% y/y  
Organic

1%



Take Rate <sup>(1)</sup>

1.09%

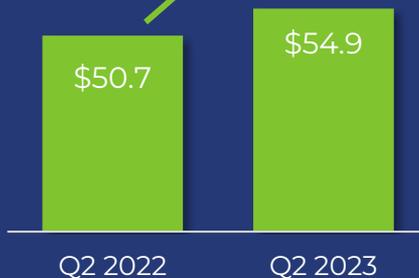
1.15%



## Gross Profit

12% y/y  
Organic

8%



% Margin <sup>(2)</sup>

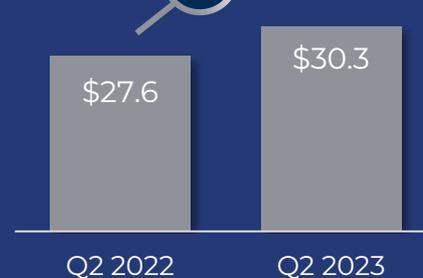
75%

77%



## Adjusted EBITDA

10%



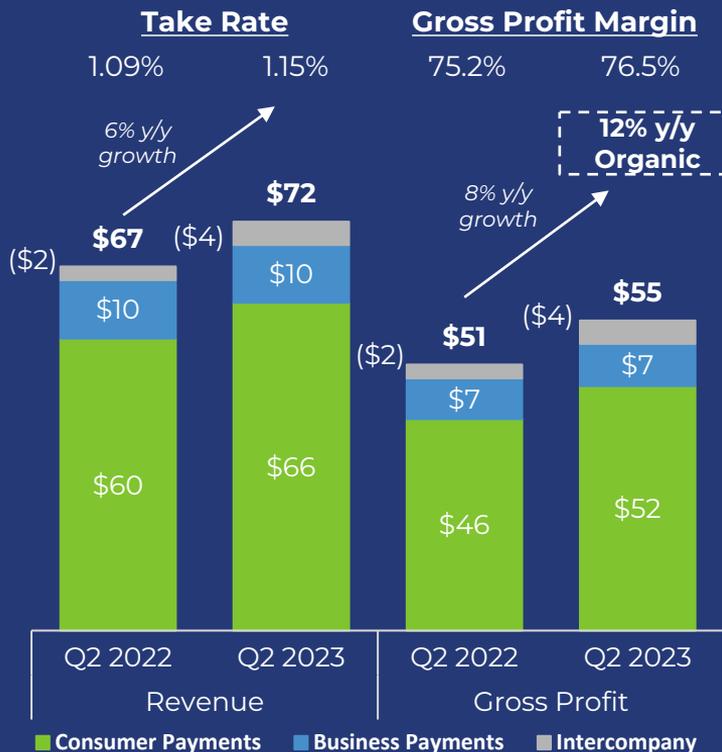
% Margin <sup>(3)</sup>

41%

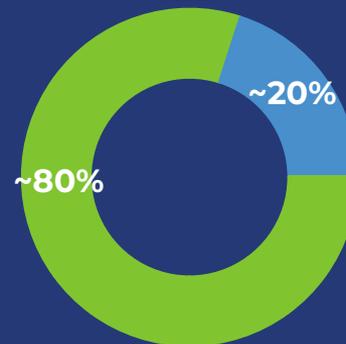
42%

- 1) Take rate represents revenue / card payment volume  
 2) Gross profit margin represents gross profit / revenue  
 3) Adjusted EBITDA margin represents adjusted EBITDA / revenue

# Growth by Segment – Q2 2023 (\$MM)



## Percentage of Card Payment Volume<sup>(1)</sup>



	Consumer Payments	Business Payments	Total Company	Total Company excl. political media <sup>(3)</sup>
Revenue growth	10%	(1%)	6%	8%
Gross Profit growth	12%	4%	8%	10%
<b>Organic GP growth<sup>(2)</sup></b>	<b>16%</b>	<b>4%</b>	<b>12%</b>	<b>14%</b>

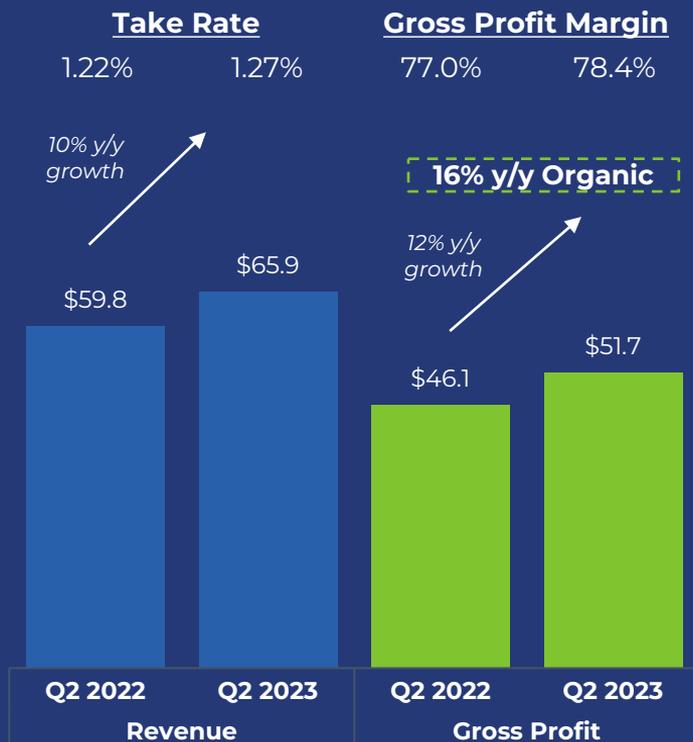
1) LTM as of 6/30/2023

2) Organic GP growth is a non-GAAP financial measure. Consumer Payments Organic GP growth excludes gross profit attributable to Blue Cow in Q2 2022. Total Company excl. political media Organic GP growth excludes contributions related to political media in 2022. See slide 1 under "Non-GAAP Financial Measures." See slides slide 30 and 31 for reconciliation

3) Total Company excl. political media is a non-GAAP financial measure and represents total company minus the estimated contributions related to political media in Q2 2022. See slides 29, 30 and 32 for reconciliation



# Consumer Payments Results – Q2 2023 (\$MM)



## Key Business Highlights

- Strength across personal loans, auto loans, credit unions, and mortgage servicing
- Large enterprise clients are adopting more payment channels and modalities
- GP Margins benefited from processing cost savings related to BillingTree back-end conversion

# Business Payments Results – Q2 2023 (\$MM)



## Key Business Highlights

- Strong sales pipeline within healthcare, property management, auto, and municipality verticals via direct sales and new / refreshed integrations
- Gross Profit growth impacted by lapping political media
  - Sustained momentum of teens y/y growth, excluding political media
- GP margins benefited from processing costs optimization and automation initiatives

<sup>1)</sup> Business Payments gross profits excl. political media is a non-GAAP financial measure. This represents Business Payments gross profit minus the estimated contributions related to political media in Q2 2022. See slides 32 for reconciliation

# Strong Liquidity Position as of June 30, 2023



## Liquidity

Cash on Hand	\$104 MM
Revolver Capacity	\$185 MM

**Total Liquidity** **\$289 MM**

## Focused on Maintaining Significant Liquidity

- Preserve liquidity and profitability through:
  - Hiring focused on revenue generating / supporting roles
  - Limited discretionary expenses
  - Negotiations with vendors
- Business continues to show high cash flow conversion
- Continued investments in organic growth

## Leverage

Total Debt	\$440 MM
Cash on Hand	\$104 MM
Net Debt	\$336 MM

**Net Leverage<sup>(1)</sup>** **2.7x**

## Committed to Prudently Managing Leverage

- Total Outstanding Debt comprised of 0% coupon on \$440 million Convertible Note with maturity in 2026 (if not converted)
- \$185 million revolver facility provides flexibility for further acquisitions
  - Secured net leverage covenant is max of 2.5x (definitionally excludes convertible notes balance)
  - Paid down \$20 million balance on February 28, 2023

1) Calculated using LTM June 2023 adjusted EBITDA, excluding estimated contribution from Blue Cow

## Updated FY 2023 Outlook

REPAY updates its previously provided guidance for full year 2023, as shown below



CARD PAYMENT  
VOLUME

**\$26.0 – \$27.2Bn**



REVENUE

**\$280 – \$288MM**

*(Prior \$272-\$288mm)*



GROSS PROFIT

**\$218 – \$228MM**

*(Prior \$216-\$228mm)*

6% - 11%  
Organic GP Growth

9% - 14%  
Normalized Organic  
GP Growth



ADJUSTED  
EBITDA

**\$122 – \$130MM**

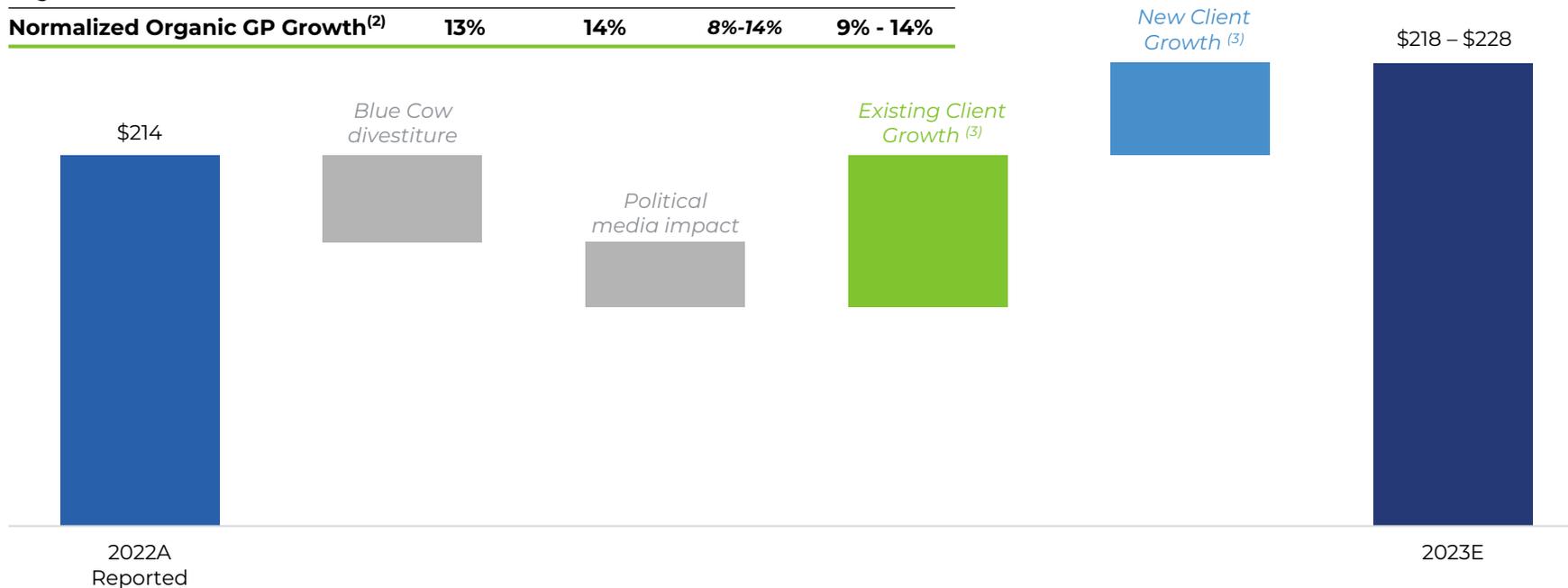
*~44% margins*

*(Prior ~45% margins)*

Note: REPAY does not provide quantitative reconciliation of forward-looking, non-GAAP financial measures such as forecasted Organic GP Growth, Normalized Organic GP Growth, and Adjusted EBITDA to the most directly comparable GAAP financial measure because it is difficult to reliably predict or estimate the relevant components without unreasonable effort due to future uncertainties that may potentially have significant impact on such calculations, and providing them may imply a degree of precision that would be confusing or potentially misleading

# Updated FY 2023 Gross Profit Outlook Bridge (\$MM)

	Q1 Reported	Q2 Reported	Prior Outlook	FY 2023 Outlook
Gross Profit Growth	11%	8%	1%-6%	2% - 6%
Organic GP Growth <sup>(1)</sup>	13%	12%	5%-11%	6% - 11%
<b>Normalized Organic GP Growth<sup>(2)</sup></b>	<b>13%</b>	<b>14%</b>	<b>8%-14%</b>	<b>9% - 14%</b>



1) Organic gross profit (or GP) growth is a non-GAAP financial measure that represents the percentage change in gross profit for a fiscal period over the comparable prior fiscal period, exclusive of any incremental gross profit attributable to acquisitions or divestitures made in the comparable prior fiscal period or any subsequent fiscal period through the applicable current fiscal period. See slide 1 under "Non-GAAP Financial Measures"

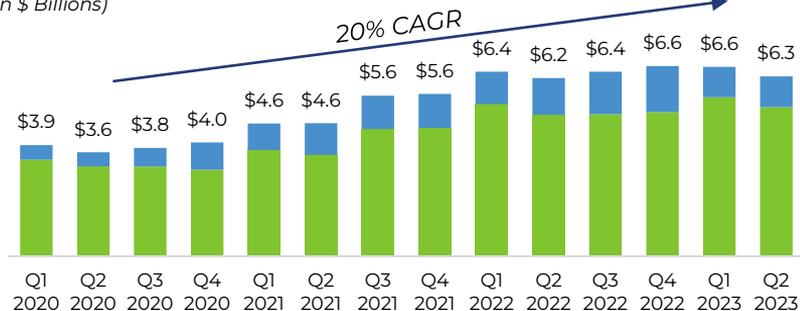
2) Normalized organic GP growth is a non-GAAP financial measure that represents organic gross profit growth (which, for this period comparison, reflects the Blue Cow Software divestiture), exclusive of the estimated gross profit calculation from political media in 2022. See slide 1 under "Non-GAAP Financial Measures"

3) Management estimates as of 6/30/2023

# History of Sustained Growth Across All Key Metrics...

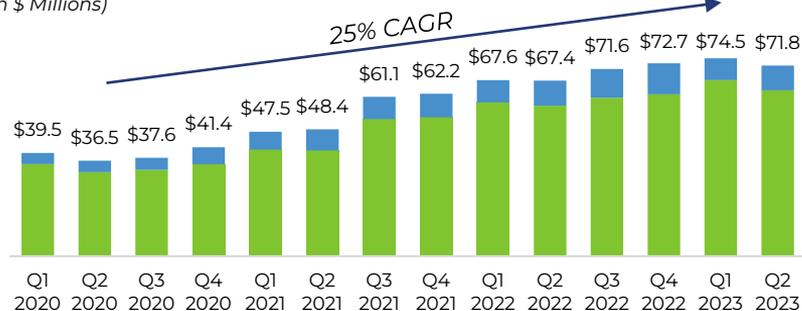
## Card Payment Volume

(In \$ Billions)



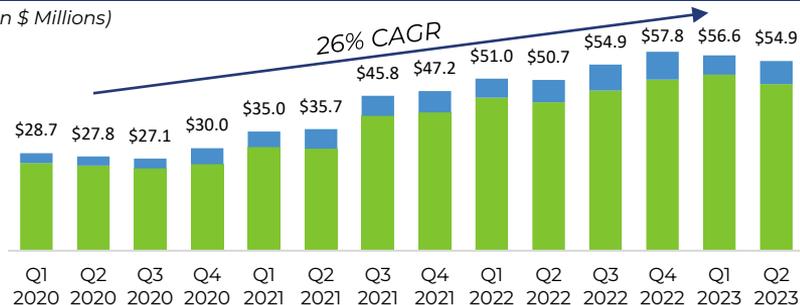
## Revenue <sup>(1)</sup>

(In \$ Millions)



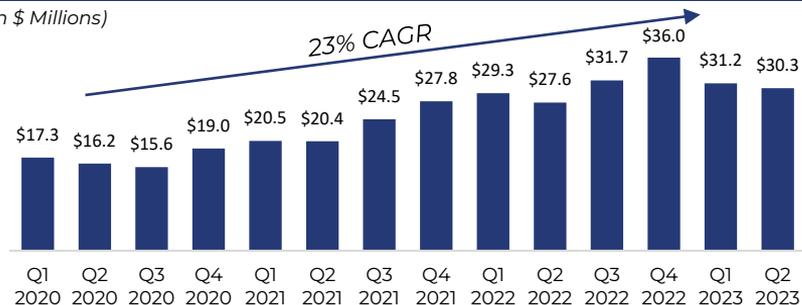
## Gross Profit <sup>(1)</sup>

(In \$ Millions)



## Adjusted EBITDA <sup>(2)</sup>

(In \$ Millions)

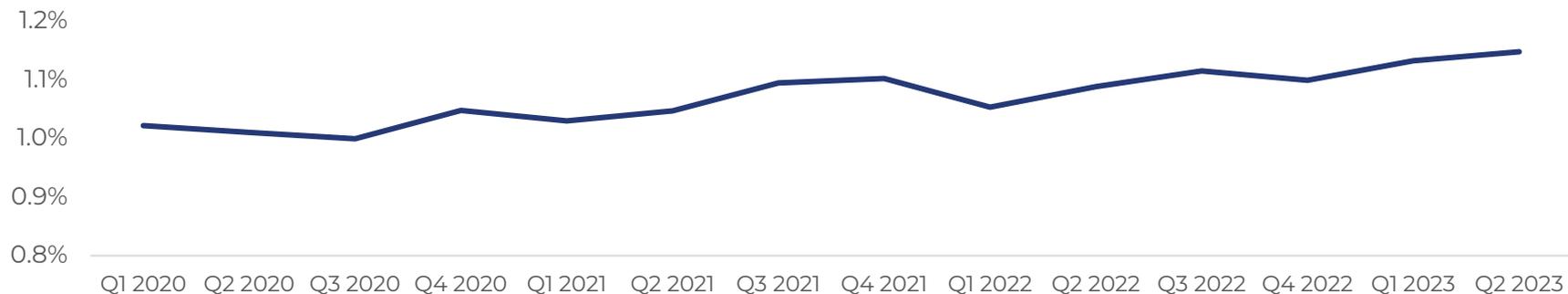


■ Consumer Payments
 ■ Business Payments
 ■ Consolidated

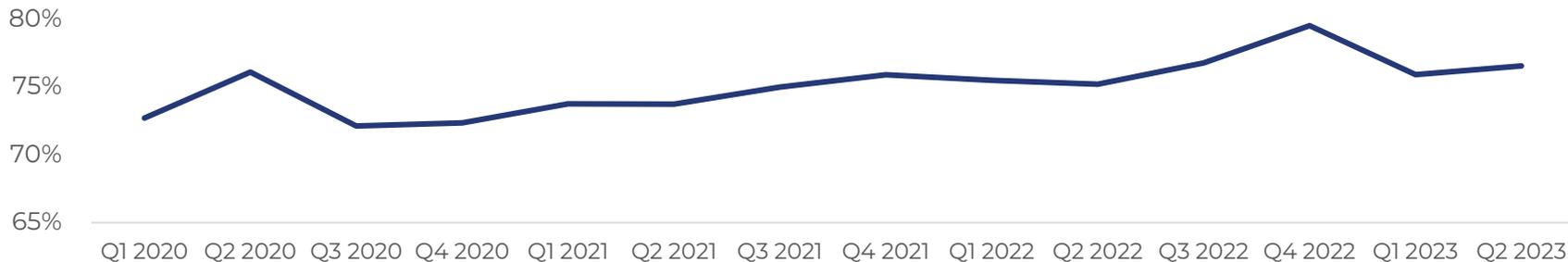
1) Consolidated totals include the elimination of intersegment revenues  
 2) Certain periods experienced large declines due to a historical accounting presentation change

## ...With Expanding Take Rates and Gross Profit Margins

### Take Rate



### Gross Profit Margin





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Strategy &  
Business Updates

## With Our Q2 2023 Performance We See Multiple Levers to Continue to Drive Growth

# 12%

Q2 2023  
Organic GP  
Growth

Majority of Consumer Payments growth from further penetration of existing client base

Majority of Business Payments growth from acquiring new clients

REPAY's leading platform & attractive market opportunity position it to build on its record of robust growth & profitability

### EXECUTE ON EXISTING BUSINESS



Expand Usage and Increase Adoption



Acquire New Clients in Existing Verticals



Operational Efficiencies

### BROADENING ADDRESSABLE MARKET AND SOLUTIONS



Future Market Expansion Opportunities



Strategic M&A

# Executing on Growth Plan

## EXPANDING EXISTING BUSINESS

### 252 SOFTWARE PARTNER RELATIONSHIPS<sup>(1)</sup>, INCLUDING:

#### CONSUMER PAYMENTS



#### BUSINESS PAYMENTS



### ADDED NEW CLIENTS VIA DIRECT SALESFORCE ACROSS ALL VERTICALS

Ended Q2 2023 with 257 credit union clients

ERP & accounting software integrations provide vertical agnostic opportunities

#### VISA ACCEPTANCE FASTTRACK PROGRAM



## BROADEN ADDRESSABLE MARKET AND SOLUTIONS

Expanded TAM to ~\$5.2 trillion<sup>(2)</sup> through strategic M&A

Continued to grow existing relationships and add new names to our **Buy Now Pay Later pipeline**

Completed concurrent common stock and convertible notes offerings in Q1 2021, as well as amended our revolving credit facility – providing the Company with **ample liquidity of \$289 million<sup>(1)</sup>** to pursue deals

Engaged ~45 software developers thus far through relationship with Protego in Ireland to **enhance and accelerate new product and research & development capabilities**

1) As of 6/30/2023

2) Third-party research and management estimates as of 6/30/2023

# Ample Runway in Consumer Payments

Evolving consumer preferences and technology are requiring clients to embrace payment digitization



- REPAY's integrated payment processing platform automates and modernizes our clients' operations, resulting in increased cash flow, lower costs, and improved customer experience
- Loan repayments expertise is core to our efficiency: from tokenization to our clearing & settlement engine
- Instant Funding accelerates the time at which borrowers receive loans while increasing digital repayments
- Multipronged go-to-market approach leverages both direct and indirect sales
- Continuing to invest into deeper ISV integrations, product innovation, and vertical specific technologies

1) Third-party research and management estimates as of 6/30/2023

2) Volume includes merchant acquiring credit and debit card. Annualized CPV is the Consumer Payments CPV in Q2 2023 multiplied by 4

# Consumer Payments Offering Omnichannel Capabilities across Modalities

Clients in REPAY's verticals look to partner with innovative vendors that can provide evolving payment functionality and acceptance solutions

## PAYMENT MODALITIES



Credit and Debit  
Card Processing



eCash



ACH  
Processing



New & Emerging  
Payments



Instant Funding



Virtual  
Terminal



IVR / Phone  
Pay



Mobile  
Application

## PAYMENT CHANNELS



Web Portal /  
Online Bill Pay



Text Pay



Hosted  
Payment Page



POS Equipment

## REPRESENTATIVE CLIENTS



Mercedes-Benz  
Financial Services

*loan*Depot<sup>®</sup>



Fairstone<sup>™</sup>



scratchpay

# REPAY's Growing Business Payments Segment

Combined AR and AP automation solution provides a compelling value proposition to clients



## B2B Merchant Acquiring

- \$1.2Tn total addressable market
- Integrations with leading ERP platforms, serving a highly diversified client base across a wide range of industry verticals
- Expanded into B2B vertical via APS acquisition
- Cross sell initiative happening within Sage and Acumatica ERPs to add AP solutions

## B2B AP Automation

- \$2.2Tn total addressable market
- Fully integrated AP automation platform with electronic payment capabilities including virtual cards and ACH
- Expanded into AP automation vertical via cPayPlus, CPS, and Kontrol acquisitions
- Entered the B2B healthcare space through Ventanex acquisition

1) Third-party research and management estimates as of 6/30/2023

2) Volume includes merchant acquiring credit and debit card, virtual card, and enhanced ACH. Annualized CPV is the Business Payments CPV in Q2 2023 multiplied by 4

# Powerful Business Payments Offering

## ACCOUNTS RECEIVABLE AUTOMATION

-  Deep ERP Integrations
-  Multiple Payment Methods
-  Tracking and Reconciliation
-  Highly Secure



## ACCOUNTS PAYABLE AUTOMATION

-  Automated Reporting and Reconciliation
-  Multiple Payment Options Including Virtual Card and Cross Border
-  Vendor Management
-  Client Rebates

## REPRESENTATIVE CLIENTS



One-stop-shop B2B payments solutions provider



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Appendix

# Q2 2023 Financial Update

\$MM	THREE MONTHS ENDED JUNE 30		CHANGE	
	2023	2022	AMOUNT	%
<b>Card Payment Volume</b>	<b>\$6,253.7</b>	<b>\$6,196.3</b>	<b>\$57.5</b>	<b>1%</b>
<b>Revenue</b>	<b>\$71.8</b>	<b>\$67.4</b>	<b>\$4.3</b>	<b>6%</b>
Costs of Services	16.8	16.7	0.1	1%
<b>Gross Profit</b>	<b>\$54.9</b>	<b>\$50.7</b>	<b>\$4.2</b>	<b>8%</b>
SG&A <sup>(1)</sup>	33.9	18.8	15.2	81%
<b>EBITDA</b>	<b>\$21.0</b>	<b>\$31.9</b>	<b>(\$10.9)</b>	<b>34%</b>
Depreciation and Amortization	26.5	29.2	(2.7)	(9%)
Interest Expense	0.9	1.1	(0.1)	(13%)
Income Tax Expense (Benefit)	(1.1)	3.0	(4.1)	NM
<b>Net Income (Loss)</b>	<b>(\$5.3)</b>	<b>(\$1.4)</b>	<b>(\$4.0)</b>	<b>NM</b>
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$30.3</b>	<b>\$27.6</b>	<b>\$2.7</b>	<b>10%</b>
<b>Adjusted Net Income<sup>(3)</sup></b>	<b>\$18.8</b>	<b>\$16.6</b>	<b>\$2.1</b>	<b>13%</b>

Note: Not meaningful (NM) for comparison

1) SG&A includes expense associated with the change in fair value of tax receivable liability, change in fair value of contingent consideration, loss on extinguishment of debt, and other income / expenses

2) See "Adjusted EBITDA Reconciliation" on slide 24 for reconciliation of Adjusted EBITDA to its most comparable GAAP measure

3) See "Adjusted Net Income Reconciliation" on slide 25 for reconciliation of Adjusted Net Income to its most comparable GAAP measure

# Adjusted EBITDA Reconciliation

\$MM

	Q2 2023	Q2 2022
<b>Net Income (Loss)</b>	<b>(\$5.3)</b>	<b>(\$1.4)</b>
Interest Expense	0.9	1.1
Depreciation and Amortization <sup>(1)</sup>	26.5	29.2
Income Tax Expense (Benefit)	(1.1)	3.0
<b>EBITDA</b>	<b>\$21.0</b>	<b>\$31.9</b>
Loss on business disposition <sup>(2)</sup>	0.1	–
Non-cash change in fair value of contingent consideration <sup>(3)</sup>	–	(1.1)
Non-cash impairment loss <sup>(4)</sup>	0.1	–
Non-cash change in fair value of assets and liabilities <sup>(5)</sup>	(4.1)	(19.5)
Share-based compensation expense <sup>(6)</sup>	6.5	5.9
Transaction expenses <sup>(7)</sup>	0.8	7.1
Restructuring and other strategic initiative costs <sup>(8)</sup>	4.0	1.4
Other non-recurring charges <sup>(9)</sup>	1.8	1.8
<b>Adjusted EBITDA</b>	<b>\$30.3</b>	<b>\$27.6</b>

- 1) For the three months ended June 30, 2023 and 2022, reflects amortization of client relationships, non-compete agreement, software, and channel relationship intangibles acquired through the business combination with Thunder Bridge, and client relationships, non-compete agreement, and software intangibles acquired through REPAY's acquisitions of TriSource Solutions, APS Payments, Ventanex, cPayPlus, CPS Payments, BillingTree, Kontrol Payables and Payix. This adjustment excludes the amortization of other intangible assets which were acquired in the regular course of business, such as capitalized internally developed software and purchased software.
- 2) Reflects the loss recognized related to the disposition of Blue Cow.
- 3) Reflects the changes in management's estimates of future cash consideration to be paid in connection with prior acquisitions from the amount estimated as of the most recent balance sheet date.
- 4) For the three months ended June 30, 2023, reflects impairment loss related to trade name write-off of Media Payments.
- 5) Reflects the changes in management's estimates of the fair value of the liability relating to the Tax Receivable Agreement.
- 6) Represents compensation expense associated with equity compensation plans, totaling \$6.5 million and \$5.9 million for the three months ended June 30, 2023 and 2022, respectively.
- 7) Primarily consists of (i) during the three months ended June 30, 2023, professional service fees and other costs incurred in connection with the disposition of Blue Cow Software, and (ii) during the three months June 30, 2022, professional service fees and other costs incurred in connection with the acquisitions of BillingTree, Kontrol Payables and Payix.
- 8) Reflects costs associated with reorganization of operations, consulting fees related to processing services and other operational improvements, including restructuring and integration activities related to acquired businesses, that were not in the ordinary course during the three months ended June 30, 2023 and 2022.
- 9) For the three months ended June 30, 2023, reflects payments made to third-parties in connection with expansion of our personnel, franchise taxes and other non-income based taxes, one-time payments to certain partners, and non-cash rent expense. For the three months ended June 30, 2022, reflects one-time payments to certain clients and partners, payments made to third-parties in connection with a significant expansion of our personnel, franchise taxes and other non-income based taxes, other payments related to COVID-19, and non-cash rent expense.

# Adjusted Net Income Reconciliation

(\$MM)	Q2 2023	Q2 2022
<b>Net Income (Loss)</b>	<b>(\$5.3)</b>	<b>(\$1.4)</b>
Amortization of acquisition-related intangibles <sup>(1)</sup>	21.0	25.9
Loss on business disposition <sup>(2)</sup>	0.1	–
Non-cash change in fair value of contingent consideration <sup>(3)</sup>	–	(1.1)
Non-cash impairment loss <sup>(4)</sup>	0.1	0.0
Non-cash change in fair value of assets and liabilities <sup>(5)</sup>	(4.1)	(19.5)
Share-based compensation expense <sup>(6)</sup>	6.5	5.9
Transaction expenses <sup>(7)</sup>	0.8	7.1
Restructuring and other strategic initiative costs <sup>(8)</sup>	4.0	1.4
Other non-recurring charges <sup>(9)</sup>	1.8	1.8
Non-cash interest expense <sup>(10)</sup>	0.7	0.7
Pro forma taxes at effective rate <sup>(11)</sup>	(6.9)	(4.4)
<b>Adjusted Net Income</b>	<b>\$18.8</b>	<b>\$16.6</b>

- 1) For the three months ended June 30, 2023 and 2022, reflects amortization of client relationships, non-compete agreement, software, and channel relationship intangibles acquired through the business combination with Thunder Bridge, and client relationships, non-compete agreement, and software intangibles acquired through REPAY's acquisitions of TriSource Solutions, APS Payments, Ventanex, cPayPlus, CPS Payments, BillingTree, Kontrol Payables and Payix. This adjustment excludes the amortization of other intangible assets which were acquired in the regular course of business, such as capitalized internally developed software and purchased software.
- 2) Reflects the loss recognized related to the disposition of Blue Cow.
- 3) Reflects the changes in management's estimates of future cash consideration to be paid in connection with prior acquisitions from the amount estimated as of the most recent balance sheet date.
- 4) For the three months ended June 30, 2023, reflects impairment loss related to trade name write-off of Media Payments.
- 5) Reflects the changes in management's estimates of the fair value of the liability relating to the Tax Receivable Agreement.
- 6) Represents compensation expense associated with equity compensation plans, totaling \$6.5 million and \$5.9 million for the three months ended June 30, 2023 and 2022, respectively.
- 7) Primarily consists of (i) during the three months ended June 30, 2023, professional service fees and other costs incurred in connection with the disposition of Blue Cow Software, and (ii) during the three months June 30, 2022, professional service fees and other costs incurred in connection with the acquisitions of BillingTree, Kontrol Payables and Payix.
- 8) Reflects costs associated with reorganization of operations, consulting fees related to processing services and other operational improvements, including restructuring and integration activities related to acquired businesses, that were not in the ordinary course during the three months ended June 30, 2023 and 2022.
- 9) For the three months ended June 30, 2023, reflects payments made to third-parties in connection with expansion of our personnel, franchise taxes and other non-income based taxes, one-time payments to certain partners, and non-cash rent expense. For the three months ended June 30, 2022, reflects one-time payments to certain clients and partners, payments made to third-parties in connection with a significant expansion of our personnel, franchise taxes and other non-income based taxes, other payments related to COVID-19, and non-cash rent expense.
- 10) Represents amortization of non-cash deferred debt issuance costs.
- 11) Represents pro forma income tax adjustment effect associated with items adjusted above.

# Adjusted Free Cash Flow Reconciliation

\$MM	Q2 2023	Q2 2022
<b>Net Cash provided by Operating Activities</b>	<b>\$20.0</b>	<b>\$13.3</b>
Capital expenditures		
Cash paid for property and equipment	0.4	(1.3)
Cash paid for intangible assets	(10.4)	(5.1)
Total capital expenditures	(10.0)	(6.3)
<b>Free Cash Flow</b>	<b>\$10.0</b>	<b>\$7.0</b>
<b>Adjustments</b>		
Transaction expenses <sup>(1)</sup>	0.8	7.1
Restructuring and other strategic initiative costs <sup>(2)</sup>	4.0	1.4
Other non-recurring charges <sup>(3)</sup>	1.8	1.8
<b>Adjusted Free Cash Flow</b>	<b>\$16.6</b>	<b>\$17.2</b>

- 1) Primarily consists of (i) during the three months ended June 30, 2023, professional service fees and other costs incurred in connection with the disposition of Blue Cow Software, and (ii) during the three months June 30, 2022, professional service fees and other costs incurred in connection with the acquisitions of BillingTree, Kontrol Payables and Payix.
- 2) Reflects costs associated with reorganization of operations, consulting fees related to processing services and other operational improvements, including restructuring and integration activities related to acquired businesses, that were not in the ordinary course during the three months ended June 30, 2023 and 2022.
- 3) For the three months ended June 30, 2023, reflects payments made to third-parties in connection with expansion of our personnel, franchise taxes and other non-income based taxes, one-time payments to certain partners, and non-cash rent expense. For the three months ended June 30, 2022, reflects one-time payments to certain clients and partners, payments made to third-parties in connection with a significant expansion of our personnel, franchise taxes and other non-income based taxes, other payments related to COVID-19, and non-cash rent expense.

## Depreciation and Amortization Detail

\$MM	Q2 2023	Q2 2022
Acquisition-related intangibles	\$21.0	\$25.9
Software	4.8	2.7
<b>Amortization</b>	<b>\$25.7</b>	<b>\$28.6</b>
Depreciation	0.7	0.6
<b>Total Depreciation and Amortization</b>	<b>\$26.5</b>	<b>\$29.2</b>

Note: Adjusted Net Income is adjusted to exclude amortization of all acquisition-related intangibles as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions (see corresponding adjustments in the reconciliation of net income to Adjusted Net Income presented above). Management believes that the adjustment of acquisition-related intangible amortization supplements GAAP financial measures because it allows for greater comparability of operating performance. Although REPAY excludes amortization from acquisition-related intangibles from its non-GAAP expenses, management believes that it is important for investors to understand that such intangibles were recorded as part of purchase accounting and contribute to revenue generation. Amortization of intangibles that relate to past acquisitions will recur in future periods until such intangibles have been fully amortized. Any future acquisitions may result in the amortization of additional intangibles.

# Organic Card Payment Volume Growth Reconciliation

	2023
\$MM	Q2
Card Payment Volume Growth	1%
Growth from Acquisitions / (Divestitures)	(2%)
<b>Organic Card Payment Volume Growth<sup>(1)</sup></b>	<b>3%</b>

1) Organic growth is a non-GAAP financial measure and See slide 1 under "Non-GAAP Financial Measures." Organic CPV growth excludes CPV attributable to Blue Cow Software in Q2 2022

# Revenue Growth Reconciliations

\$MM	2023
	Q2
Revenue Growth	6%
Growth from Acquisitions / (Divestitures)	(3%)
<b>Organic Revenue Growth<sup>(1)</sup></b>	<b>9%</b>

\$MM	2023
	Q2
Revenue Growth	6%
Growth from Political Media	(2%)
<b>Revenue Growth excl. Political Media <sup>(2)</sup></b>	<b>8%</b>

1) Organic growth is a non-GAAP financial measure and See slide 1 under "Non-GAAP Financial Measures." Organic revenue growth excludes revenue attributable to Blue Cow Software in Q2 2022

2) Revenue excl. political media represents total company revenue minus the estimated contributions related to political media in Q2 2022

# Organic Gross Profit Growth Reconciliation

\$MM	2022				Full Year	2023	
	Q1	Q2	Q3	Q4	2022	Q1	Q2
Gross Profit Growth	46%	42%	20%	22%	31%	11%	8%
Growth from Acquisitions/(Divestitures)	41%	32%	5%	5%	19%	(2%)	(4%)
<b>Organic Gross Profit Growth <sup>(1)</sup></b>					<b>12%</b>	<b>13%</b>	<b>12%</b>
Growth from political media					3%	(<1%)	(2%)
<b>Organic GP Growth excl. political media <sup>(2)</sup></b>					<b>9%</b>	<b>13%</b>	<b>14%</b>

1) Organic gross profit growth is a non-GAAP financial measure. See slide 1 under "Non-GAAP Financial Measures"

2) Organic GP growth excl. political media is a non-GAAP financial measure that excludes the political media contribution. See slide 1 under "Non-GAAP Financial Measures"

# Organic Gross Profit Segment Growth Reconciliation

\$MM	2023
	Q2
Consumer Payments Gross Profit Growth	12%
Growth from Acquisitions / (Divestitures)	(4%)
<b>Consumer Payments Organic Gross Profit Growth <sup>(1)</sup></b>	<b>16%</b>

\$MM	2023
	Q2
Business Payments Gross Profit Growth	4%
Growth from Acquisitions / (Divestitures)	n/a
<b>Business Payments Organic Gross Profit Growth <sup>(1)</sup></b>	<b>4%</b>

1) Organic GP growth is a non-GAAP financial measure and See slide 1 under "Non-GAAP Financial Measures." Consumer Payments Organic GP growth excludes gross profit attributable to Blue Cow Software in Q2 2022. Business Payments Organic GP growth was not impacted by acquisitions or divestitures

# Gross Profit Growth Excluding Political Media Reconciliation

\$MM	2023
	Q2
Total Company Gross Profit Growth	8%
Growth from Political Media	(2%)
<b>Total Company excl. Political Media Gross Profit Growth <sup>(1)</sup></b>	<b>10%</b>

\$MM	2023
	Q2
Business Payments Gross Profit Growth	4%
Growth from Political Media	(11%)
<b>Business Payments excl. Political Media Gross Profit Growth <sup>(2)</sup></b>	<b>15%</b>

1) Total Company excl. political media represents total company minus the estimated contributions related to political media in Q2 2022

2) Business Payments excl. political media represents Business Payments minus the estimated contributions related to political media in Q2 2022

# Historical Segment Details

\$MM	2021				2022				Full Year		2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2021	2022	Q1	Q2
Consumer Payments	\$3,694.1	\$3,523.4	\$4,426.7	\$4,465.7	\$5,290.5	\$4,918.6	\$4,937.8	\$5,009.5	\$16,109.9	\$20,156.5	\$5,524.8	\$5,183.8
Business Payments	919.9	1,100.1	1,156.4	1,177.4	1,123.4	1,277.7	1,479.0	1,602.3	4,353.9	5,482.4	1,056.6	1,069.9
<b>Card Payment Volume</b>	<b>\$4,614.0</b>	<b>\$4,623.5</b>	<b>\$5,583.1</b>	<b>\$5,643.1</b>	<b>\$6,414.0</b>	<b>\$6,196.3</b>	<b>\$6,416.8</b>	<b>\$6,611.8</b>	<b>\$20,463.8</b>	<b>\$25,638.9</b>	<b>\$6,581.4</b>	<b>\$6,253.7</b>
Consumer Payments	\$42.4	\$42.0	\$54.5	\$55.2	\$61.1	\$59.8	\$63.0	\$64.3	\$194.0	\$248.2	\$69.9	\$65.9
Business Payments	7.1	8.5	8.9	9.3	8.9	9.9	11.4	12.3	33.8	42.6	8.7	9.8
<i>Intercompany eliminations</i>	(2.0)	(2.0)	(2.2)	(2.3)	(2.4)	(2.3)	(2.9)	(4.0)	(8.6)	(11.6)	(4.1)	(4.0)
<b>Revenue</b>	<b>\$47.5</b>	<b>\$48.4</b>	<b>\$61.1</b>	<b>\$62.2</b>	<b>\$67.6</b>	<b>\$67.4</b>	<b>\$71.6</b>	<b>\$72.7</b>	<b>\$219.3</b>	<b>\$279.2</b>	<b>\$74.5</b>	<b>\$71.8</b>
Consumer Payments	\$32.2	\$31.7	\$41.9	\$42.9	\$47.5	\$46.1	\$49.7	\$53.1	\$148.6	\$196.4	\$54.6	\$51.7
Business Payments	4.9	6.1	6.2	6.6	5.9	7.0	8.1	8.6	23.8	29.6	6.0	7.2
<i>Intercompany eliminations</i>	(2.0)	(2.0)	(2.2)	(2.3)	(2.4)	(2.3)	(2.9)	(4.0)	(8.6)	(11.6)	(4.1)	(4.0)
<b>Gross Profit</b>	<b>\$35.0</b>	<b>\$35.7</b>	<b>\$45.8</b>	<b>\$47.2</b>	<b>\$51.0</b>	<b>\$50.7</b>	<b>\$54.9</b>	<b>\$57.8</b>	<b>\$163.8</b>	<b>\$214.4</b>	<b>\$56.6</b>	<b>\$54.9</b>
Consumer Payments	1.15%	1.19%	1.23%	1.24%	1.15%	1.22%	1.28%	1.28%	1.20%	1.23%	1.27%	1.27%
Business Payments	0.78%	0.77%	0.77%	0.79%	0.79%	0.78%	0.77%	0.77%	0.78%	0.78%	0.82%	0.92%
<b>Take Rate</b>	<b>1.03%</b>	<b>1.05%</b>	<b>1.09%</b>	<b>1.10%</b>	<b>1.05%</b>	<b>1.09%</b>	<b>1.12%</b>	<b>1.10%</b>	<b>1.07%</b>	<b>1.09%</b>	<b>1.13%</b>	<b>1.15%</b>
Consumer Payments	75.9%	75.4%	76.9%	77.7%	77.8%	77.0%	79.0%	82.6%	76.6%	79.1%	78.1%	78.4%
Business Payments	68.0%	71.8%	69.9%	71.0%	66.5%	70.0%	70.4%	70.1%	70.3%	69.4%	69.5%	73.3%
<b>Gross Profit Margin</b>	<b>73.7%</b>	<b>73.7%</b>	<b>75.0%</b>	<b>75.9%</b>	<b>75.5%</b>	<b>75.2%</b>	<b>76.8%</b>	<b>79.5%</b>	<b>74.7%</b>	<b>76.8%</b>	<b>75.9%</b>	<b>76.5%</b>

Note: Historical periods reflect the reclassification of volumes, revenue, and gross profit between Consumer Payments and Business Payments segments