



Realtime Electronic Payments

REPAY Announces the Acquisition of cPayPlus

July 23, 2020

Accounts Payable Automation Acquisition Strengthens B2B Offering

ATLANTA--(BUSINESS WIRE)--Jul. 23, 2020-- Repay Holdings Corporation (NASDAQ: RPAY) ("REPAY"), a leading provider of vertically-integrated payment solutions, today announced the acquisition of cPayPlus, LLC ("cPayPlus") for up to \$16.0 million, of which \$8.0 million was paid at closing. The remaining \$8.0 million may become payable in the third quarter of 2021, dependent upon the achievement of certain growth targets. The closing of the acquisition was financed with cash on hand and will not materially impact REPAY's net leverage.

cPayPlus, founded in 2017 and headquartered in Salt Lake City, UT, is an accounts payable ("AP") automation provider to a variety of industries, with concentrations in automotive, property management, and field services. cPayPlus' robust technology platform, which is deeply integrated with its clients' AP workflows and primary enterprise resource planning ("ERP") systems, enables meaningful client-side operating efficiencies and seamless payment optimization. cPayPlus boasts an impressive list of ERP integrations in the automotive (e.g., Dealertrack and DealerBuilt), property management, and field services industries. cPayPlus currently maintains over 26,000 enrolled supplier relationships.

"We continue to observe unprecedented demand for comprehensive, technology-first B2B automation and payment solutions, as enterprise customers look for ways to reduce costs and operate more efficiently in an increasingly digital environment. The competition typically focuses on either accounts receivable ("AR") or AP. While we already do both, the cPayPlus acquisition will strengthen our AP automation offering, further enabling us to deliver best-in-class solutions that address all of our clients' AR and AP automation and payment needs," said John Morris, CEO of REPAY. "We are thrilled to welcome the cPayPlus team into the REPAY family. Darin Horrocks and Seth Barnard are AP automation veterans. We are confident that their leadership and vision will prove invaluable as we work together to accelerate growth in our B2B business."

"We look forward to working with REPAY to capitalize on the ever-increasing demand for AP automation solutions. The already high need for our product has been amplified since the onset of the COVID-19 pandemic. REPAY's extensive resources will enable us to take advantage of this demand and develop more complete B2B offerings for our clients," said Darin Horrocks, CEO of cPayPlus.

Transaction Details

- REPAY acquired cPayPlus for up to \$16.0 million
 - \$8.0 million was paid in cash at closing
 - Up to \$8.0 million may become payable in the third quarter of 2021, dependent upon the achievement of certain growth targets
- The acquisition was financed with cash on hand
- Net leverage is expected to approximate 1.25x¹ on a post-transaction basis
- While cPayPlus is not expected to make a material financial contribution for the remainder of 2020, cPayPlus' top line and gross profit are growing substantially faster than the overall REPAY corporate average. cPayPlus is expected to deliver a more meaningful contribution in 2021. Based on historical growth trends, we expect cPayPlus to generate top line and gross profit growth in excess of 100% annually through 2022.

¹ Pro forma for the cash from the primary offering and the warrant exercises, less the \$8.0 million upfront purchase price

Strategic Rationale

- High Growth Market
 - The B2B automation and payments market, including both AR and AP solutions, is experiencing rapid growth, as the abundance of greenfield opportunities is complemented by increasing penetration amongst SMB clients that have already adopted digital AR and AP automation and payment capabilities
 - cPayPlus, as well as REPAY's existing B2B business, has experienced favorable trends as a result of the COVID-19 pandemic, which has accelerated a broader paper-to-digital transition within B2B automation and payments
- Sizeable Addressable Market
 - cPayPlus' existing automotive, property management, and field services ERP integrations present cPayPlus with an estimated payment card volume opportunity of \$540 billion
 - cPayPlus intends to employ REPAY's integration-oriented competencies to quickly unlock more of the estimated +\$10 trillion market for SMB AP payment volume
- Complementary Offering
 - The majority of REPAY's current B2B business is focused on software automation and payment solutions around the AR side of transactions. The acquisition of cPayPlus will enable REPAY to provide both AP automation and

- payment solutions to its existing client base
- o While cross-sell opportunities exist across all of REPAY's current businesses, the effects are expected to be particularly impactful amongst REPAY's B2B and automotive customers
- o Additionally, the one-stop-shop B2B automation and payments offering – that is, AR coupled with AP – is expected to accelerate go-forward sales across all REPAY business lines
- B2B Expertise
 - o B2B automation and payment experts Darin Horrocks (cPayPlus CEO) and Seth Barnard (cPayPlus CTO) will join REPAY post-close, serving as leaders within the B2B business

Forward-Looking Statements

This communication 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, our plans, objectives, expectations and intentions with respect to future operations, sales opportunities and growth, 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, statements regarding the expected impact of the COVID-19 pandemic, REPAY's industry and market sizes, future opportunities for REPAY, including cPayPlus, as well as the level of cPayPlus' growth and financial contributions. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. Actual results and the timing of events may differ materially from the results anticipated in these forward-looking statements.

In addition to factors previously disclosed in prior reports filed with the U.S. Securities and Exchange Commission and those identified elsewhere in this communication, 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: the impacts of the ongoing COVID-19 coronavirus pandemic and the actions taken to control or mitigate its spread (which impacts are highly uncertain and cannot be reasonably estimated or predicted at this time); a delay or failure to integrate and realize the benefits of the cPayPlus acquisition and any difficulties associated with marketing products and services in the AP automation market to REPAY's existing B2B customers; 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; risks relating to REPAY's relationships within the payment ecosystem; the 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 develop and 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 as projected financial information and other information are based on estimates and assumptions that are inherently subject to various significant risks, uncertainties and other factors, many of which are beyond our control. 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 we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication. Forecasts and estimates regarding REPAY's industry and end markets are based on sources we believe to be reliable, however there can be no assurance these forecasts and estimates will prove accurate in whole or in part. Annualized, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

About REPAY

REPAY provides integrated payment processing solutions to verticals that have specific transaction processing needs. REPAY's proprietary, integrated payment technology platform reduces the complexity of electronic payments for merchants, while enhancing the overall experience for consumers and businesses.

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