# REPAY<sup>®</sup>

# **Investor Presentation**

November 2020



## Disclaimer

On July 11, 2019 (the "<u>Closing Date</u>"), Thunder Bridge Acquisition Ltd. ("<u>Thunder Bridge</u>") and Hawk Parent Holdings LLC ("<u>Hawk Parent</u>") completed their previously announced business combination under which Thunder Bridge acquired Hawk Parent, upon which Thunder Bridge changed its name to Repay Holdings Corporation ("<u>REPAY</u>" or the "<u>Company</u>"). Unless otherwise indicated, information provided in this presentation (a) that relates to any periods ended prior to the Closing Date reflect that of Hawk Parent prior to the Business Combination, (b) that relates to any period ended December 31, 2019 reflect the combination of (i) Hawk Parent for the periods from January 1, 2019 through July 10, 2019 and (ii) REPAY for the period from the Closing Date through December 31, 2019. Such combination reflects a simple arithmetic addition of the relevant periods. The historical financial information of Thunder Bridge prior to the Business Combination has not been reflected in any financial information of Hawk Parent.

The Company's filings with the Securities and Exchange Commission ("SEC"), which you may obtain for free at the SEC's website at <a href="http://www.sec.gov">http://www.sec.gov</a>, discuss some of the important risk factors that may affect REPAY's business, results of operations and financial condition.

#### **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, expected demand on REPAY's product offering, including further implementation of electronic payment options and statements regarding REPAY's market and growth opportunities. 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 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 SEC, including our Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, 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 and consumer and commercial spending; 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 CPS Payment Services acquisition or any of REPAY's other recent acquisitions; 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: 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. All information set forth herein speaks only as of the date hereof in the case of information about us or the date of such information in the case of information from persons other than us, and we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this prospectus. Forecasts and estimates regarding our 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, 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

The information contained herein also includes information provided by third parties, such as market research firms. Neither of REPAY nor its affiliates and any third parties that provide information to REPAY, such as market research firms, guarantee the accuracy, completeness, timeliness or availability of any information. Neither REPAY nor its affiliates and any third parties that provide information to REPAY, such as market research firms, are responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or the results obtained from the use of such content. Neither REPAY nor its affiliates give any express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use, and they expressly disclaim any responsibility or liability for direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including lost income or profits and opportunity costs) in connection with the use of the information herein.

#### **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 non-cash and non-recurring charges, such as loss on extinguishment of debt, 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, management fees, legacy commission related charges, employee recruiting costs, other taxes, strategic initiative related costs and other non-recurring charges. Organic gross profit growth is a non-GAAP financial measure that represents the year-on-year gross profit growth that excludes gross profit attributed to acquisitions made in 2019. REPAY believes that Adjusted EBITDA and organic gross profit growth provide useful information to investors and others in understanding and evaluating its operating results in the same manner as management. However, Adjusted EBITDA and organic gross profit growth 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 that investors may find significant. In addition, although other companies in REPAY's industry may report measures titled Adjusted EBITDA, organic gross profit growth and classification of events and financial measures. Because of these limitations, you should consider Adjusted EBITDA and organic gross profit orginal measures, such non-GAAP financial measures, which reduces their overall usefulness as comparative measures. Because of these limitations, you should consider Adjusted EBITDA and organic gross profit orginal measures, you should consider Adjusted EBITDA a

#### **No Offer or Solicitation**

This Presentation is for informational purposes only and is neither an offer to sell or purchase, nor a solicitation of an offer to sell, buy or subscribe for any securities, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.

Section 1: Introduction to REPAY

> REPAY<sup>®</sup> Realtime Electronic Payments

Who We Are

REPAY

 $\begin{array}{c} \mathsf{REPAY}^{*} \\ \mathsf{Realtime Electronic Payments} \end{array}$ 

A leading, highly-integrated omni-channel payment technology platform modernizing loan repayment verticals and B2B payments

## \$10.7Bn

2019 Annual Card Payment Volume

## **47%**

Historical Gross Profit CAGR<sup>(1)</sup>

## ~98%

Volume Retention<sup>(2)</sup> 84%

Cash Flow Conversion<sup>(3)</sup>

1) CAGR is from 2017A - 2019A

2) Volume retention for YTD period as of December 31, 2019 calculated as 1 – (Lost Volume / Total Volume Processed in Prior Year Period); "Lost Volume" represents volume realized in prior year period from merchants that have since ended their relationship with REPAY. Volume retention for full-year 2018A was 98%. Calculation excludes TriSource and APS Payments

3) 2019A Cash Flow Conversion calculated as Adjusted EBITDA – Capex / Adjusted EBITDA. Capex includes PP&E, new software development and new 3<sup>rd</sup> party software assets. Other companies may calculate capex and related measures differently and you should consider how that reduces the usefulness of this metric. Capex was 5% of total revenue (unadjusted for impact of adoption of ASC 606) in 2019.



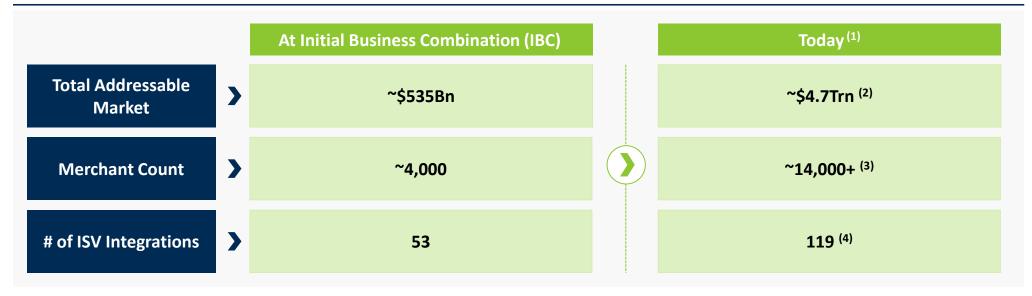
Why REPAY?

REPAY

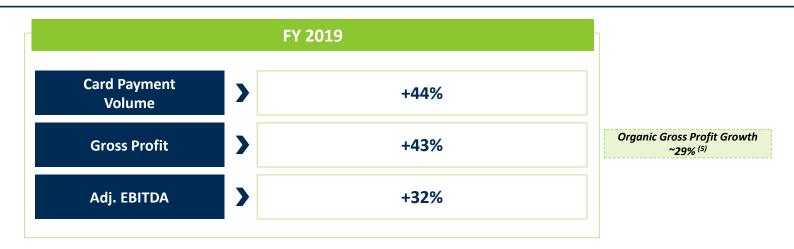


## **Our Strong Execution and Momentum**

#### **Executing Our Vision...**



#### ...And Delivering Superior Results



1) As of November 2020

- 2) Third-party research and management estimates
- 3) Management estimate, includes TriSource, APS, Ventanex, cPayPlus and CPS Payments
- 4) Includes integrations from APS, Ventanex, cPayPlus and CPS Payments acquisitions
- REPAY 5) Per management estimates; organic gross profit growth is a non-GAAP financial measure that represents the year-on-year gross profit growth that excludes gross profit attributed to acquisitions made in 2019

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Section 2: REPAY Investment Highlights



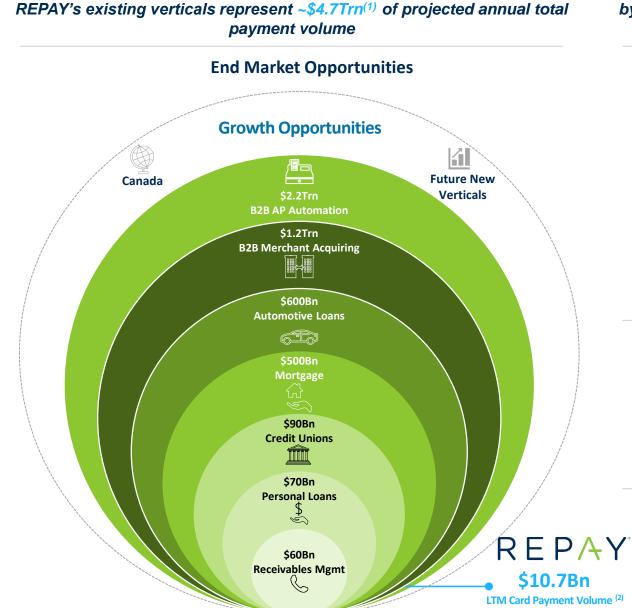






## 1 We Are Capitalizing on Large, Underserved Market Opportunities

#### REPAY



REPAY's key end markets have been underserved by payment technology and service providers due to unique market dynamics

- Loan repayment and B2B markets have lagged other industry verticals in moving to electronic payments
  - Credit cards are not permitted in loan repayment which has resulted in overall low card penetration
  - B2B payments (including AP and AR) have traditionally been made via check or ACH

 Merchants serving REPAY's markets—spanning consumer and business payments—are facing increasing demand from customers for electronic and omnichannel payment solutions

REPAY

Realtime Electronic Payments

2) Source: Management metric for LTM period as of December 31, 2019. Calculation includes TriSource and APS for post-acquisition periods

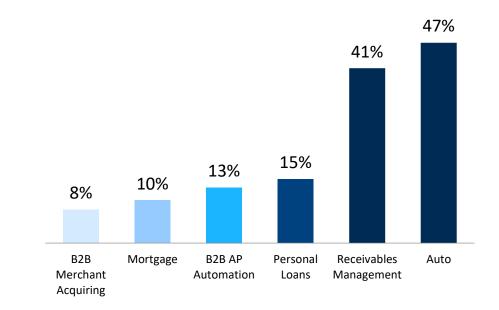
## Card and Debit Payments Underpenetrated in Our Verticals

#### Loan Repayment and B2B Payments Lag Other Markets in Migrating to Card Payments

## 67% 59% 50% 29% 26% 23% 38% 33% 27% 2012A 2017A 2022E Credit Card Penetration Debit Card Penetration

Card Payment Penetration Across Industries<sup>(1)</sup>...





Note: Credit generally not accepted as payment option in REPAY's legacy end markets

1) Source: The Nilson Report – December 2018. Represents debit and credit as a percentage of all U.S. consumer payment systems, including various forms of paper, card, and electronic payment

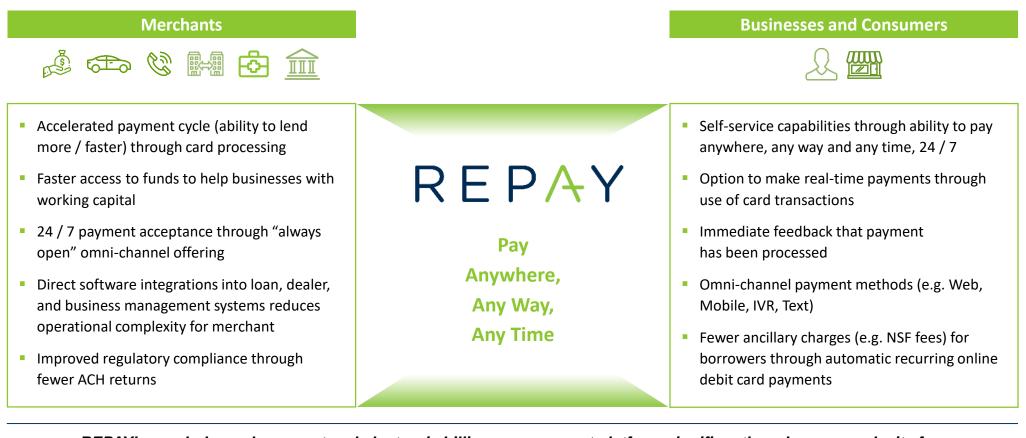
methods

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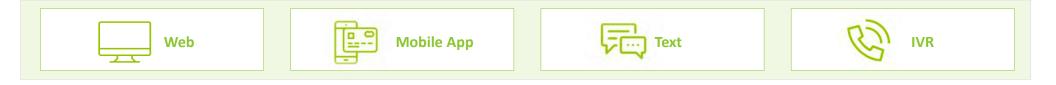


## <sup>2</sup> REPAY Has Built a Leading Next- Gen Software Platform

## Proprietary, Integrated Payment Technology Platform Reduces Complexity For a Unified Commerce Experience



REPAY's omni-channel payment and electronic billing management platform significantly reduces complexity for customers and enhances the end-user experience



## <sup>3</sup> Key Software Integrations Accelerates Distribution

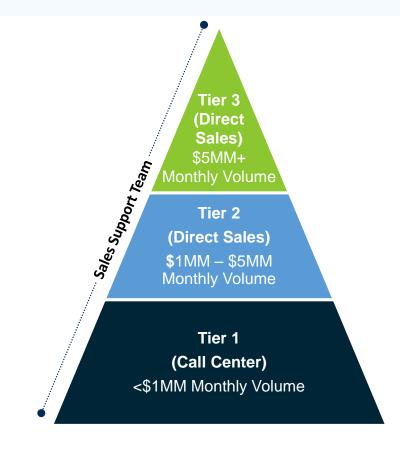
#### **REPAY Leverages A Vertically Tiered Sales Strategy Supplemented By Software Integrations To Drive New** *Merchant Acquisitions*

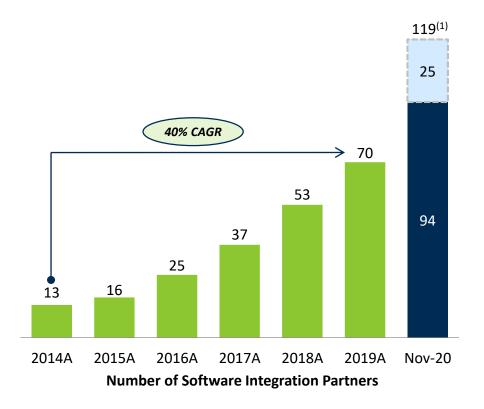
#### Sales Strategy / Distribution Model

- Direct sales model that is structured by vertical and by production tier
- Sales Support Team increases sales and supports onboarding process

#### **Software Integrations**

- Successfully integrated with many of the top software providers
  - Software integrations enable the direct salesforce to more easily access new merchant opportunities and respond to inbound leads
- Robust pipeline of other software vendors currently in discussions to integrate

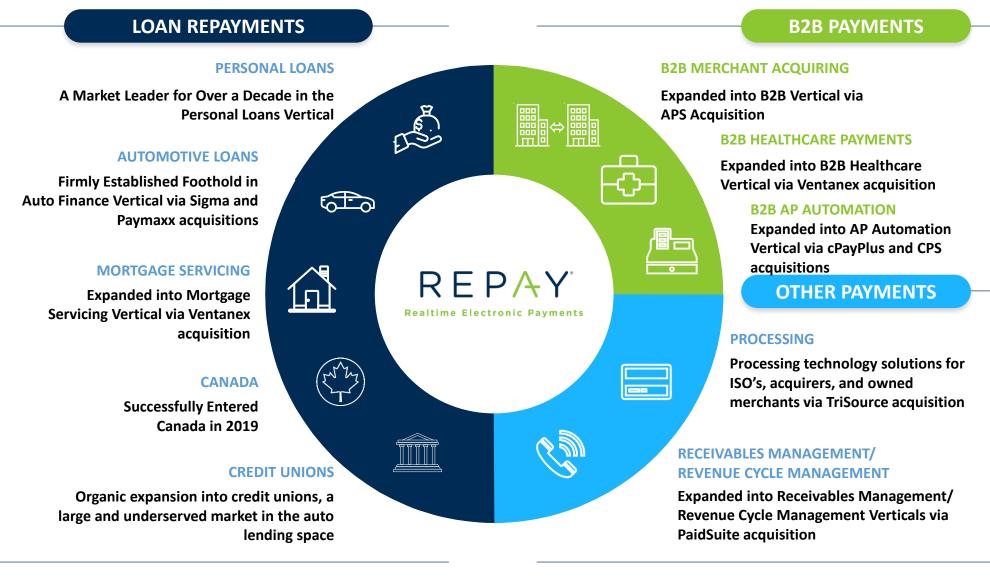




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## 4 Attractive and Diverse Client Base Across Key Verticals

# REPAY's Platform Provides Significant Value To >14,000<sup>(1)</sup> Merchants Offering Solutions Across A Variety Of Industry Verticals



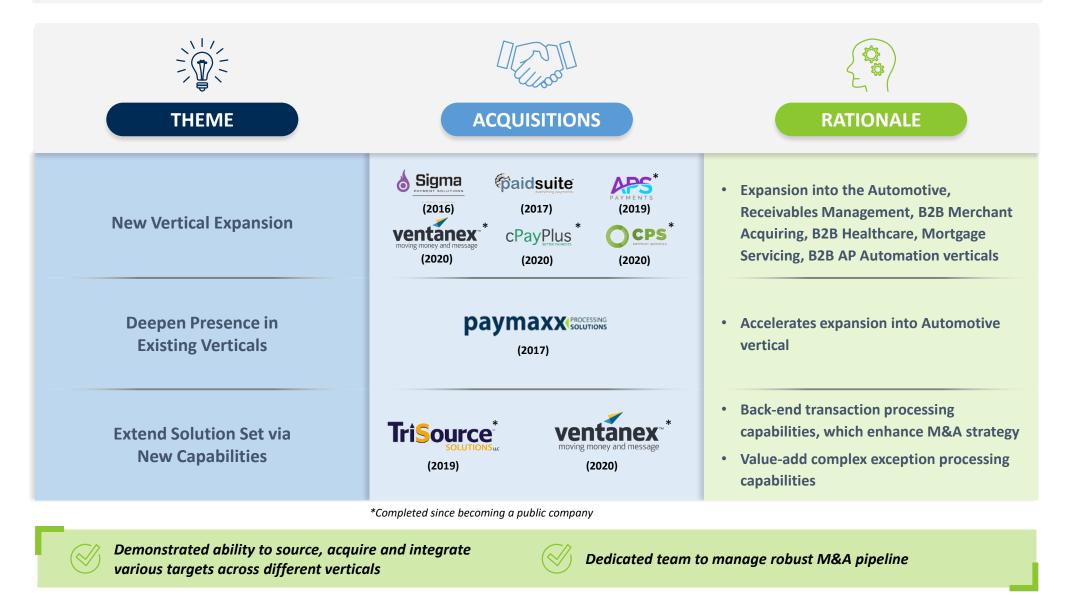
1) Management estimate, including TriSource, APS, Ventanex, cPayPlus and CPS Payments.

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## <sup>5</sup> Demonstrated Ability to Acquire and Successfully Integrate Businesses

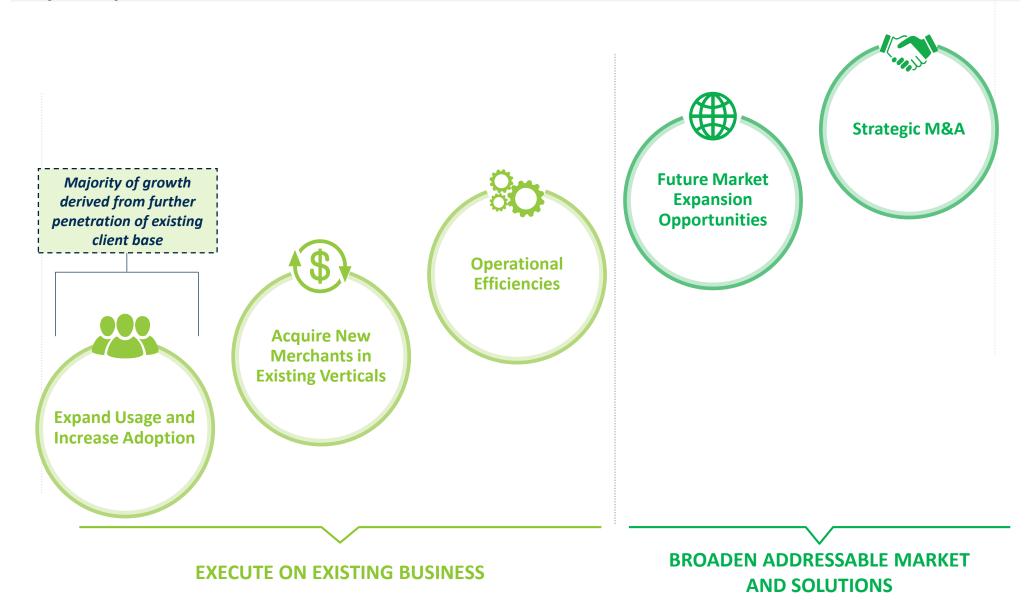
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#### Represents A Significant Opportunity To Enhance Organic Growth In Existing Verticals And Accelerate Entry Into New Markets And Services



## <sup>5</sup> Multiple Levers to Continue to Drive Growth

**REPAY's Leading Platform & Attractive Market Opportunity Position It To Build On Its Record Of Growth & Profitability** 



## Experienced Board with Deep Payments Expertise

9-Member Board Of Directors Comprised Of Industry Veterans And Influential Leaders In The Financial Services And Payment Industries



John Morris CEO & Co-Founder



Shaler Alias President & Co-Founder



Jeremy Schein Managing Director, Corsair



Richard Thornburgh Senior Advisor, Corsair



## William Jacobs

Former SVP, Mastercard / Board Member, Global Payments and Green Dot



**Peter Kight** 

Chairman, Founder of CheckFree / Former Vice Chairman, Fiserv



Paul Garcia

Former Chairman and CEO, Global Payments



**Bob Hartheimer** 

Former Managing Director, Promontory



Maryann Goebel

Former CIO, Fiserv



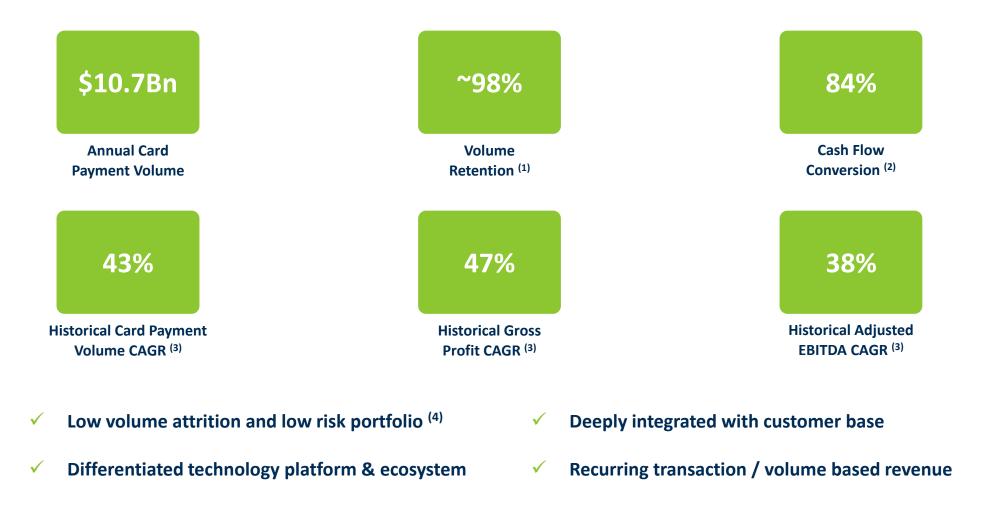
Section 3: REPAY Financial Overview



## **Financial Highlights**

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#### **REPAY's Unique Model Translates Into A Highly Attractive Financial Profile**

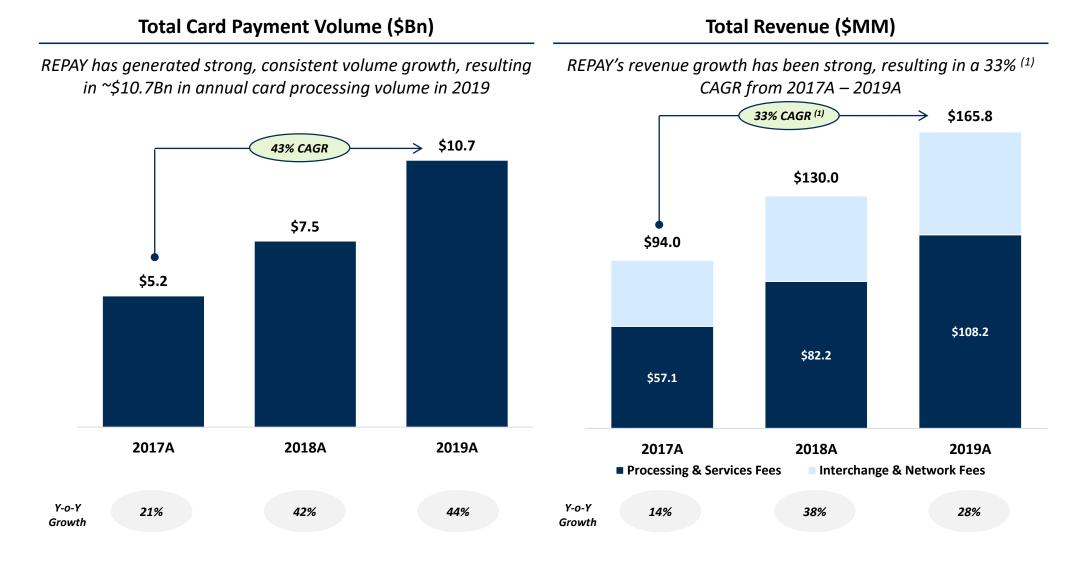


<sup>1)</sup> Volume retention for YTD period as of December 31, 2019 calculated as 1 – (Lost Volume / Total Volume Processed in Prior Year Period); "Lost Volume" represents volume realized in prior year period from merchants that have since ended their relationship with REPAY. Volume retention for full-year 2018A was 98%. Calculation excludes TriSource and APS

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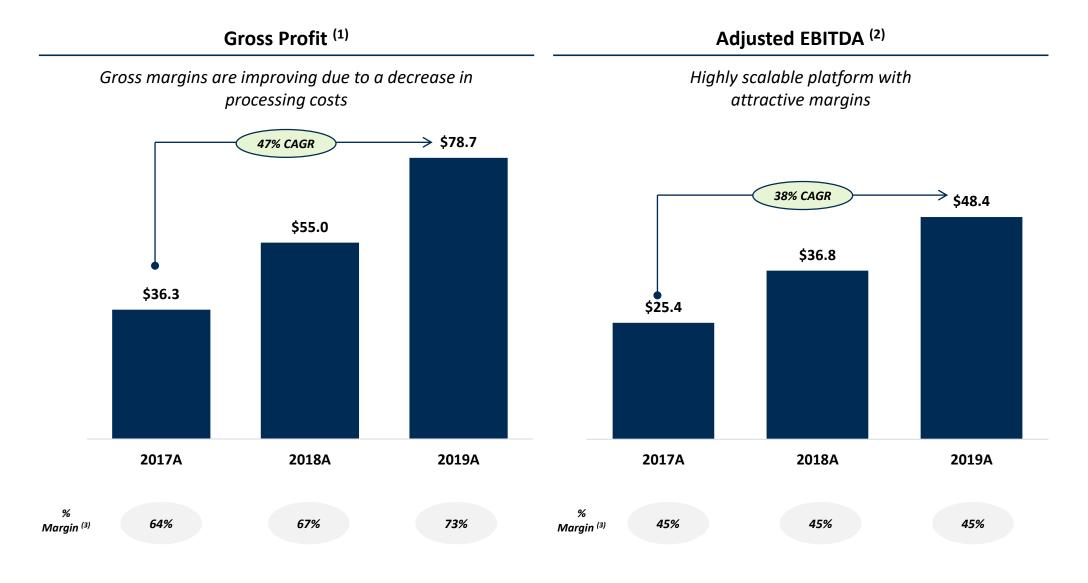
 <sup>2019</sup>A Cash Flow Conversion calculated as Adjusted EBITDA – Capex / Adjusted EBITDA. Capex includes PP&E, new software development and new 3<sup>rd</sup> party software assets. Other companies may calculate capex and related measures differently and you should consider how that reduces the usefulness of this metric. Capex was 5% of total revenue (unadjusted for impact of adoption of ASC 606) in 2019.



REPAY

## ... Translating into Accelerating Profitability

## (\$MM)



REPAY<sup>\*</sup> 2

Gross Profit is defined as Total Revenue less Interchange and Network Fees and Other Cost of Services; all items unadjusted for the impact of the adoption of ASC 606
See "Adjusted EBITDA Reconciliation" on slide 21
As a % of Processing and Services Fees, unadjusted for the impact of the adoption of ASC 606

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## Adjusted EBITDA Reconciliation – Historical

#### REPAY

(\$ in millions)	2017A	2018A	2019A
Net Income (Loss)	\$9.4	\$10.5	(\$39.9)
Interest Expense	5.7	6.1	9.1
Depreciation and Amortization	7.5	10.4	14.6
Income Tax Expense (Benefit) <sup>(1)</sup>	<u> </u>	-	(5.0)
EBITDA <sup>(1)</sup>	\$22.6	\$27.0	(\$21.2)
Loss on Extinguishment of Debt <sup>(2)</sup>	1.2	0.0	1.4
Non-cash Change in FV Contingent Consideration <sup>(3)</sup>	(2.1)	(1.1)	-
Non-cash Change in FV of Tax Receivable Liability <sup>(4)</sup>	-	-	1.6
Share-based Compensation Expense <sup>(5)</sup>	0.6	0.8	22.9
Transaction Expenses <sup>(6)</sup>	1.4	4.8	40.1
Management Fees <sup>(7)</sup>	0.4	0.4	0.2
Legacy Commission Related Charges <sup>(8)</sup>	0.8	4.2	2.6
Employee Recruiting Costs <sup>(9)</sup>	0.3	0.3	0.1
Loss on Disposition of Property and Equipment	0.0	0.0	-
Other Taxes <sup>(10)</sup>	0.1	0.2	0.2
Strategic Initiative Costs <sup>(11)</sup>	0.2	0.3	0.4
Other Non-recurring Charges <sup>(12)</sup>	(0.0)	(0.0)	0.2
Adjusted EBITDA	\$25.4	\$36.8	\$48.4

1) Prior to the Business Combination REPAY was not a taxable entity so there are no taxes to add back in calculating EBITDA for these periods.

- 2) Reflects write-offs of debt issuance costs relating to REPAY's term loans and prepayment penalties relating to its previous debt facilities.
- 3) Reflects the changes in management's estimates of future cash consideration to be paid in connection with prior acquisitions.
- 4) Reflects the changes in management's estimates of the fair value of the liability relating to the Tax Receivable Agreement.
- 5) Represents compensation expense associated with equity compensation plans, including accelerated vesting and new grants made in connection with the Business Combination.
- 6) Primarily consists of the professional service fees and other costs in connection with (1) the Business Combination, and the acquisitions of TriSource and APS in the period ended December 31, 2019, (2) the Business Combination and a potential acquisition by Repay that was abandoned during the year ended December 31, 2018, (3) financing transactions and the acquisitions of (i) PaidSuite, Inc. and PaidMD, LLC and (ii) Paymaxx Pro, LLC during the year ended December 31, 2017.
- 7) Reflects management fees paid to Corsair Investments LP which have been terminated.
- 8) Represents payments made to certain employees in connection with transition from REPAY's legacy commission structure to its current commission structure.
- 9) Represents payments made to third-party recruiters in connection with a significant expansion of REPAY personnel.
- 10) Reflects franchise taxes and other non-income based taxes.

REPAY

- 11) Consists of consulting fees relating to processing services not in the ordinary course of business and other operational improvements, one-time payment to vendor for additional merchant data, one-time payment relating to special projects for new market expansion and legal expanses relating to review of potential compliance matters.
- 12) Represents other non-recurring items that REPAY's management believes are not representative of its ongoing operations, including litigation-related adjustments.

## **Organic Gross Profit Reconciliation – Historical**

#### REPAY

	2019A
Total gross profit growth	43.1%
less: growth from acquisitions	13.6%
Organic gross profit growth <sup>(1)</sup>	29.5%



# REPAY