

**Paysafe:**



# Third Quarter 2021 Earnings Presentation

November 11, 2021



# Forward Looking Statements and Non-GAAP Financial Measures

## Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Paysafe Limited’s (“Paysafe,” “PSFE” or the “Company”) actual results may differ from their expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “anticipate,” “appear,” “approximate,” “believe,” “budget,” “continue,” “could,” “estimate,” “expect,” “forecast,” “foresee,” “goal,” “guidance,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “would” and variations of such words and similar expressions (or the negative version of such words or expressions) may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements include, without limitation, Paysafe’s expectations with respect to future performance.

These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially, and potentially adversely, from those expressed or implied in the forward-looking statements. While the Company believes its assumptions concerning future events are reasonable, a number of factors could cause actual results to differ materially from those projected, including, but not limited to: cyberattacks and security vulnerabilities; complying with and changes in money laundering regulations, financial services regulations, consumer and business privacy and data use regulations or other regulations in Bermuda, the UK, Ireland, Switzerland, the United States, Canada and elsewhere; changes in our relationships with banks, payment card networks, issuers and financial institutions; risk related to processing online payments for merchants and customers engaged in the online gambling and foreign exchange trading sectors; risks related to our ability to satisfy closing conditions with respect to our acquisitions; risks related to our focus on specialized and high-risk verticals; risks related to becoming an unwitting party to fraud or be deemed to be handling proceeds of crimes being committed by customers; the effects of chargebacks, merchant insolvency and consumer deposit settlement risk; changes to our continued financial institution sponsorship; failure to hold, safeguard or account accurately for merchant or customer funds; risks related to the availability, integrity and security of internal and external IT transaction processing systems and services; failure of third parties to comply with contractual obligations; changes and compliance with payment card network operating rules; substantial and increasingly intense competition worldwide in the global payments industry; the COVID-19 pandemic, including the resulting global economic uncertainties; risks related to developing and maintaining effective internal controls over financial reporting; managing our growth effectively, including growing our revenue pipeline; any difficulties maintaining a strong and trusted brand; keeping pace with rapid technological developments; risks associated with the significant influence of our principal shareholders; terrorism; and other factors included in the “Risk Factors” in our Form 20-F and in other filings we make with the SEC, which are available at <https://www.sec.gov>. Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with respect thereto or any change in events, conditions, or circumstances on which any statement is based, except as required by law.

## Trademarks

This presentation may contain trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, some of the trademarks, service marks, trade names and copyrights referred to in this presentation may be listed without the TM, SM © or ® symbols, but Paysafe will assert, to the fullest extent under applicable law, the rights of the applicable owners, if any, to these trademarks, service marks, trade names and copyrights.

## Statement Regarding Non-GAAP Financial Measures

This presentation also contains non-GAAP financial information. Paysafe management believes the presentation of these non-GAAP financial measures, when considered together with the Company’s results presented in accordance with GAAP, provide users with useful supplemental information regarding Paysafe’s operating performance. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures are set forth in the Appendix. These non-GAAP measures exclude items that are significant in understanding and assessing Paysafe’s financial results or position. Therefore, these measures should not be considered in isolation or as alternatives to measures under GAAP.

# Key messages

3Q Adj. EBITDA in line with guidance, despite softer revenue

Continued execution across Paysafe's strategy: Winning in NA iGaming and other high growth verticals (e.g., crypto) and delivering on cost and tech platform targets

Digital Wallet weaker than expected; addressing performance challenges and repositioning for long-term success

As a result, resetting 2021 and 2022 financial outlook

**+19% YoY**

Q3 volume growth

**+2% YoY**

Q3 revenue growth  
excl. Pay Later<sup>(1)</sup> (-1% reported)

**+5% YoY<sup>(2)</sup>**

Q3 revenue growth excl.  
Pay Later<sup>(1)</sup> and Direct Marketing

# Performance relative to expectations

## Expectations as of August 16, 2021

- Direct Marketing vertical improvement in 2H21
- Continued execution on cost savings
- Strong pipeline in eCommerce Processing, expected to onboard new clients in Q4

### Digital Wallet segment

- Soft summer activity, with return to normal seasonality and Europe reopening effects; expected Q4 improvement to follow

### Q3 guidance and full year outlook

- 3Q guidance: Rev. \$360m – \$375m; Adj. EBITDA \$95m – \$110m
- Maintained FY21 outlook

## Today

- ✓ Direct Marketing recovering as expected (incr. Q/Q)
- ✓ Delivered \$26m cost savings YTD; expect >\$35m FY21
- eCommerce agreements modified (different scope and ramp); pipeline remains healthy

### Digital Wallet segment

- ✗ Second half Q3 weaker than expected with weakness continuing into Q4; challenges to address in Digital Wallet

### Q3 results and full year outlook

- 3Q Rev. \$354m (below guidance); Adj. EBITDA \$106m (inline)
- ✗ Lowering FY21 and FY22 (Digital Wallets turnaround)

# Digital Wallet performance weaker than expected...

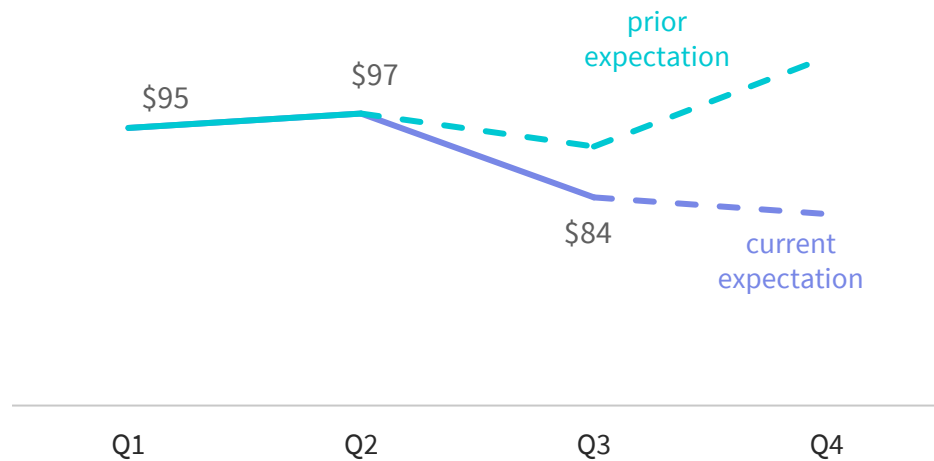
**Spring:** fundamentals improving with cleaner portfolio as a result of earlier exits/restrictions on networks; saw good indicators of lapping legacy issues

**Summer:** quiet European sports betting activity (expected soft Q3, followed by improvement in Q4); leadership transition in digital wallets division (Jul – Sept)

**Late Summer / Early Fall:** Even weaker than expected and further softening in Europe, primarily regulatory related (e.g., Germany, Netherlands); actions taken to review and revise pricing/tiering to better align with market

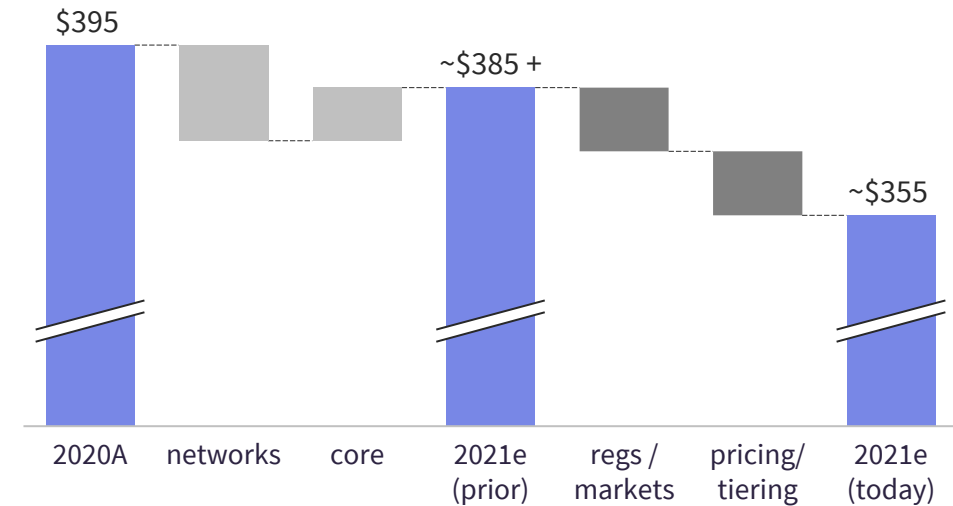
## Performance vs prior expectations

Digital Wallet 2021 quarterly revenue \$m



## Performance full year 2021e vs 2020A

Digital Wallet 2020A to 2021e revenue \$m



# ...taking action to reset Digital Wallet

## Digital Wallet challenges

- 1 Lap legacy issues (networks)
- 2 Core wallet needs to be more competitive in Europe
- 3 Organization needs to be simplified and rightsized
- 4 Deliver against the bigger initiatives in front of us

## Actions to reposition for long-term success

- Short term**
- 1 Networks issue lapped
  - 2 Improvements to customer experience and pricing changes
  - 3 Exit non-performing product features
  - 3 Rightsize the organization; clean up the balance sheet
- Mid term**
- 2 Strengthen relationships with top tier merchants
  - 4 Continue to grow Skrill USA
  - 4 Expand crypto capabilities and partnerships

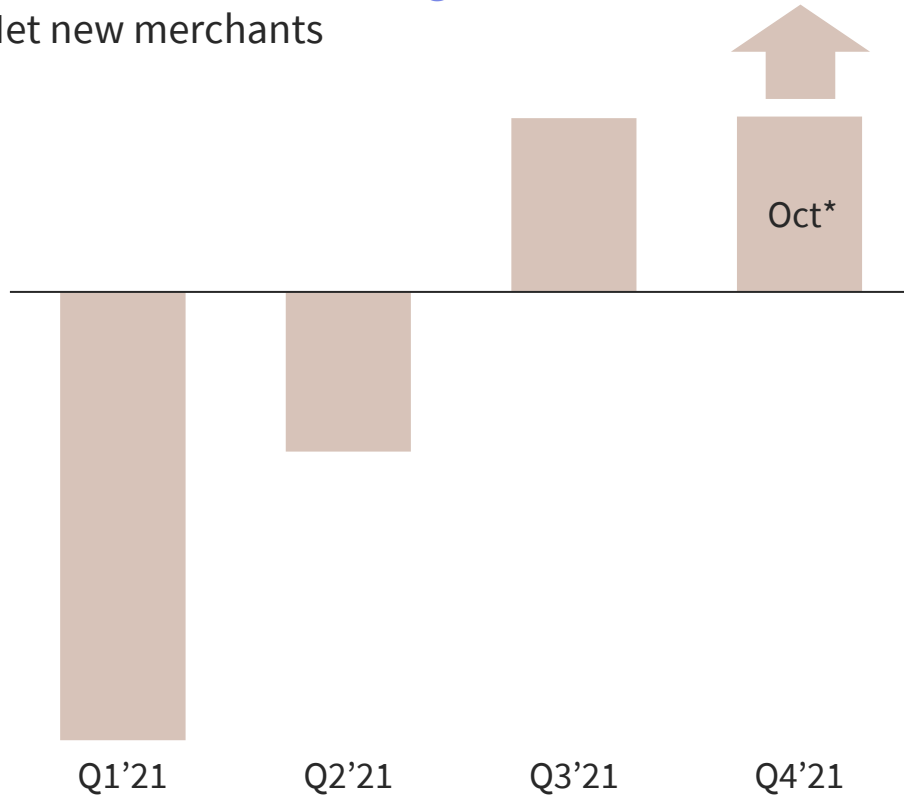
## Headwinds

- Continued market softness/regulations in Europe
- Low 2021 exit rate

# Direct Marketing vertical is recovering as expected

## Paysafe Direct Marketing

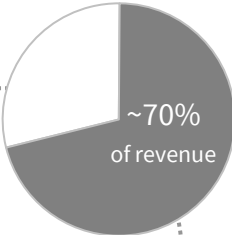
Net new merchants



## Recovery

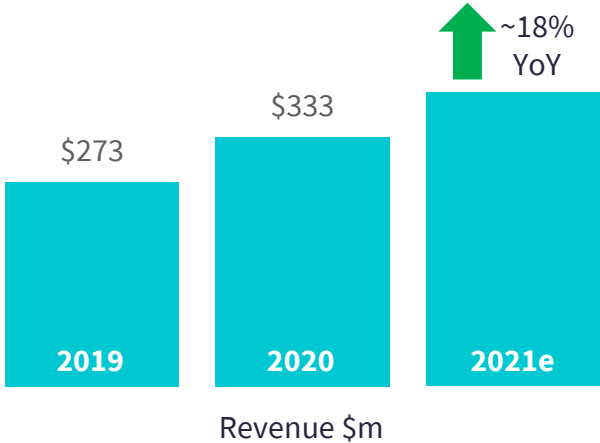
- Net new merchants turned positive in June and Q3
- Strong momentum continuing into Q4

# Delivering strong growth across the majority of Paysafe's businesses



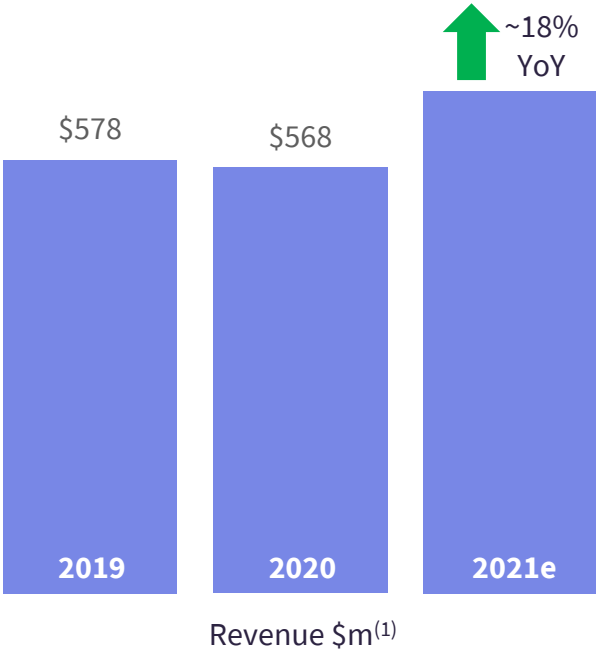
## eCash

Growth moderating post-covid with higher run rate vs 2019.



## Integrated Processing (excl. direct marketing)

Strong eCommerce growth across attractive digital commerce verticals. US SMB Acquiring remains healthy.



Note: Pie chart reflects YTD 2021 revenue as a percent of total revenue.  
(1) Figures do not include Pay Later, which was divested in October 2020. Pay Later generated revenue of \$27m in 2019 and \$24m in 2020.



# Recent progress on our strategic priorities

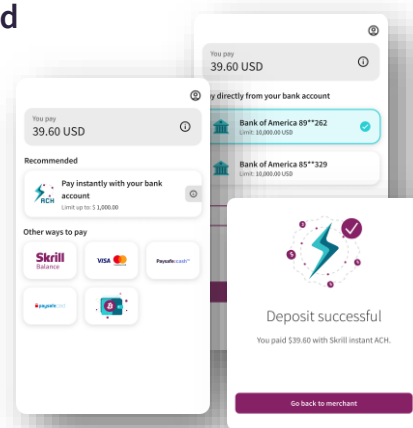
Q3 and recent highlights

## Win in NA iGaming

- Revenue +50% YTD
- Live in 19 states
- Recent launches:



- Ready for expansion in Canada – signed multiple deals with tier 1 operators
- Skril Digital Wallet revamp
  - ✓ Piloting 11 brands
  - ✓ Avg. deposits higher than other payment methods
  - ✓ Strong conversion rates



## Grow key digital commerce verticals

- Adding 4,600 Walmart stores, enabling bill pay with eCash through Incomm partnership
- eCash – a leading solution for the growing neobank market



- Added Solana to Digital Wallets (now offering 38 cryptocurrencies) as well as building pipeline of crypto platforms seeking pay in and pay out solutions
- Partnering with Visa to implement Visa Direct push payments, further enhancing our pay out options

# Recent progress on our strategic priorities (contd.)

Q3 and recent highlights

## Drive global scale

- Achieved target to migrate ~70% of business to new tech/cloud by 2021
- Exceeded cost saving plan – risk, banking and operations – \$26m YTD



## M&A

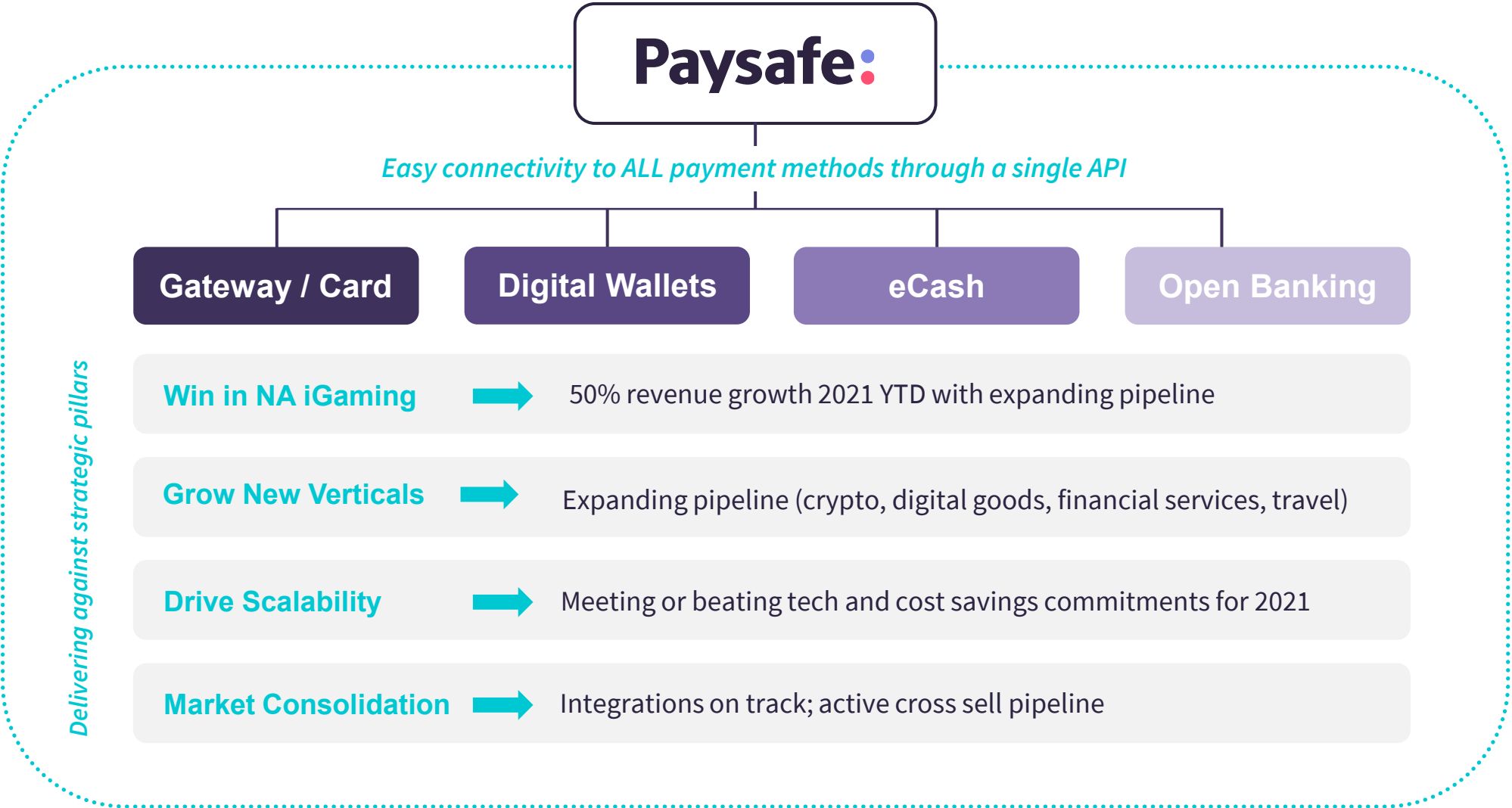
- PagoEfectivo and viafintech closed
- Strong interest from existing merchants and pipeline (e.g., iGaming and crypto)
- Multiple cross sell conversations underway

safety  pay

 PagoEfectivo

 viafintech

# Continued momentum and execution across Paysafe's strategy

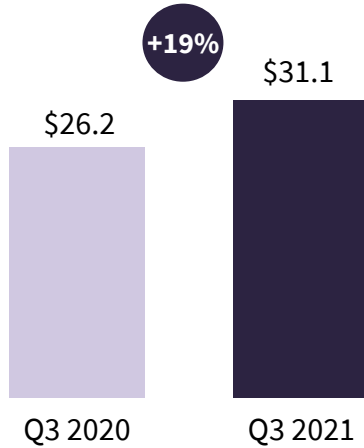


# Q3 performance versus guidance

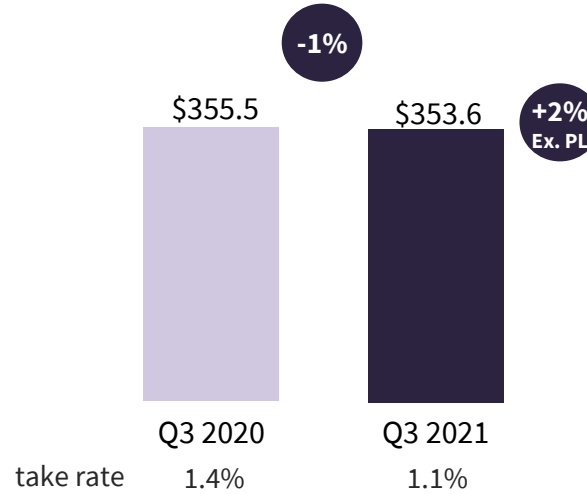
\$millions	Q3 2021	
	Guidance	Actual
Revenue	\$360 – \$375	✘ <b>\$354</b>
Gross Profit (excl. D&A)	\$210 – \$220	✘ <b>\$209</b>
Adj. EBITDA	\$95 – \$110	✓ <b>\$106</b>
Cost of Services (excl. D&A) + SG&A (excl. SBC)	~\$265	✓ <b>\$247</b>

# Q3 financial highlights

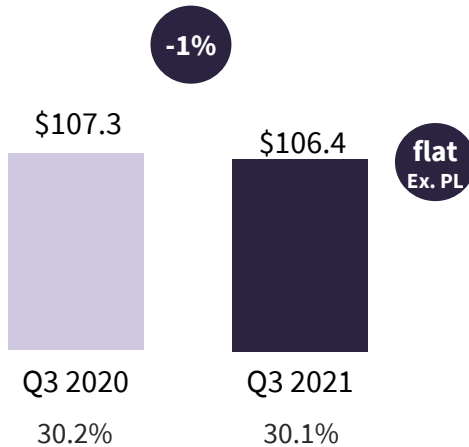
Volume (\$bn)



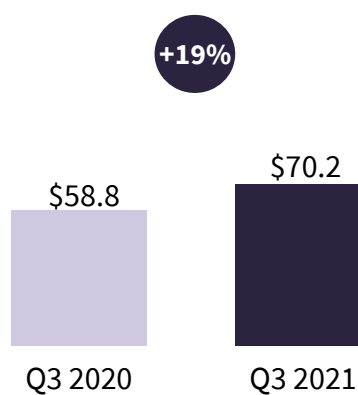
Revenue (\$m)



Adj. EBITDA<sup>(1)</sup> (\$m)



FCF<sup>(1)</sup> (\$m)

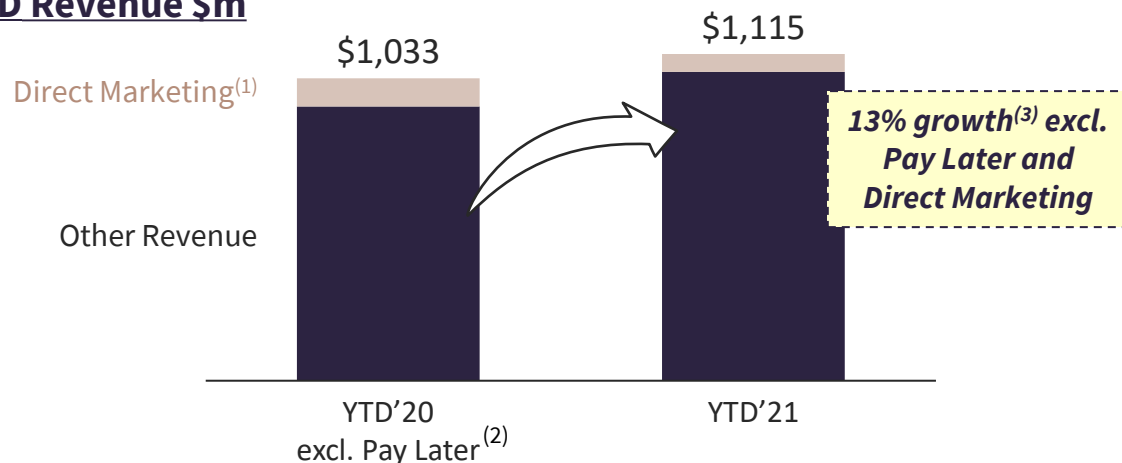


- **Volume.** YoY growth led by Integrated Processing
- **Revenue.** Growth from Integrated Processing and eCash offset by Digital Wallet
- **Adj. EBITDA.** Margin consistent with prior year as mix headwind largely offset by cost optimization
- **FCF.** 66% conversion (FCF/Adj. EBITDA); YTD 69%
- **Excluding Pay Later<sup>(2)</sup>.** Revenue growth of 2% and Adj. EBITDA flat

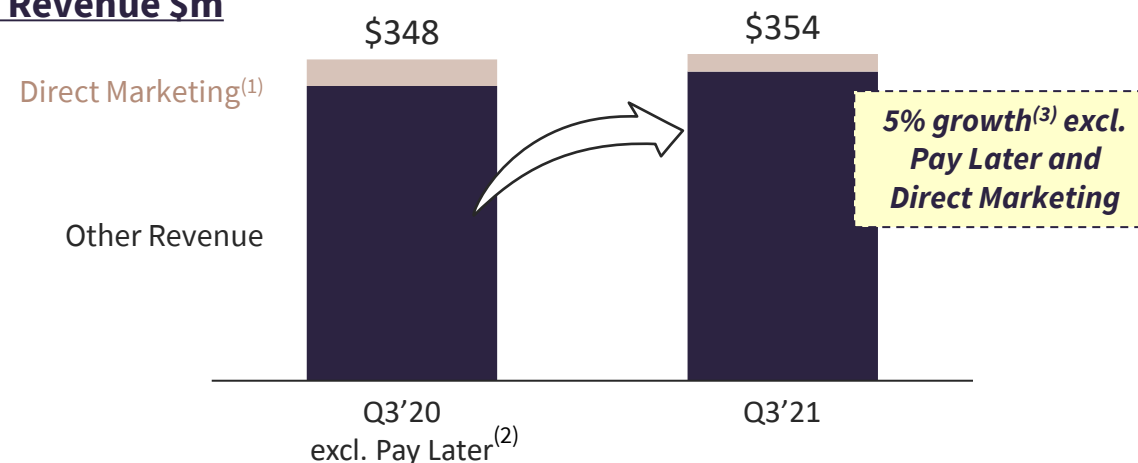
# Underlying growth, excl. direct marketing impact

Direct marketing vertical improves sequentially; YoY headwind moderating in 2H

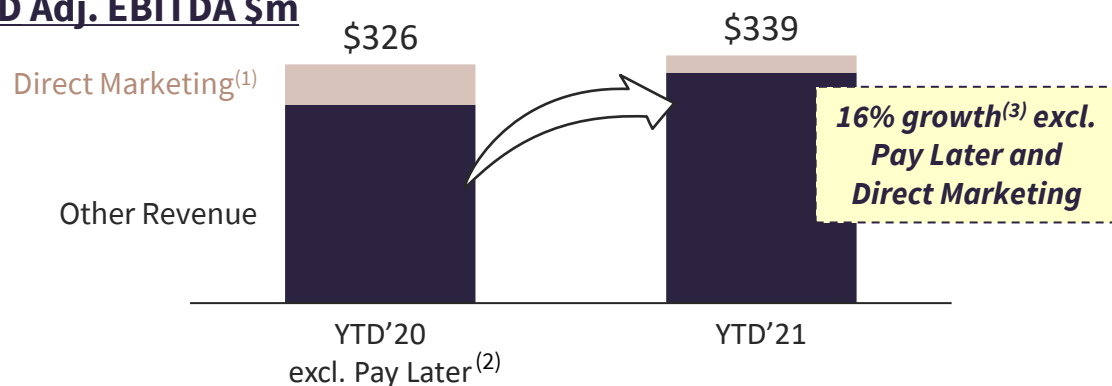
## YTD Revenue \$m



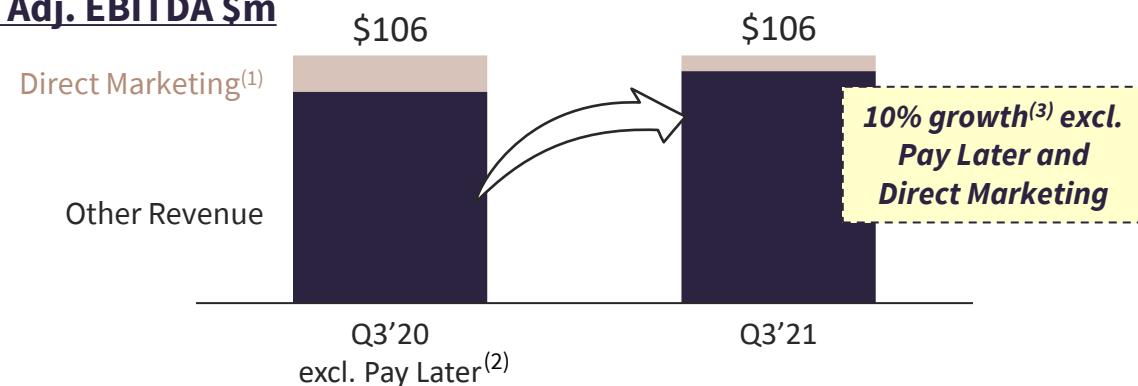
## Q3 Revenue \$m



## YTD Adj. EBITDA \$m



## Q3 Adj. EBITDA \$m



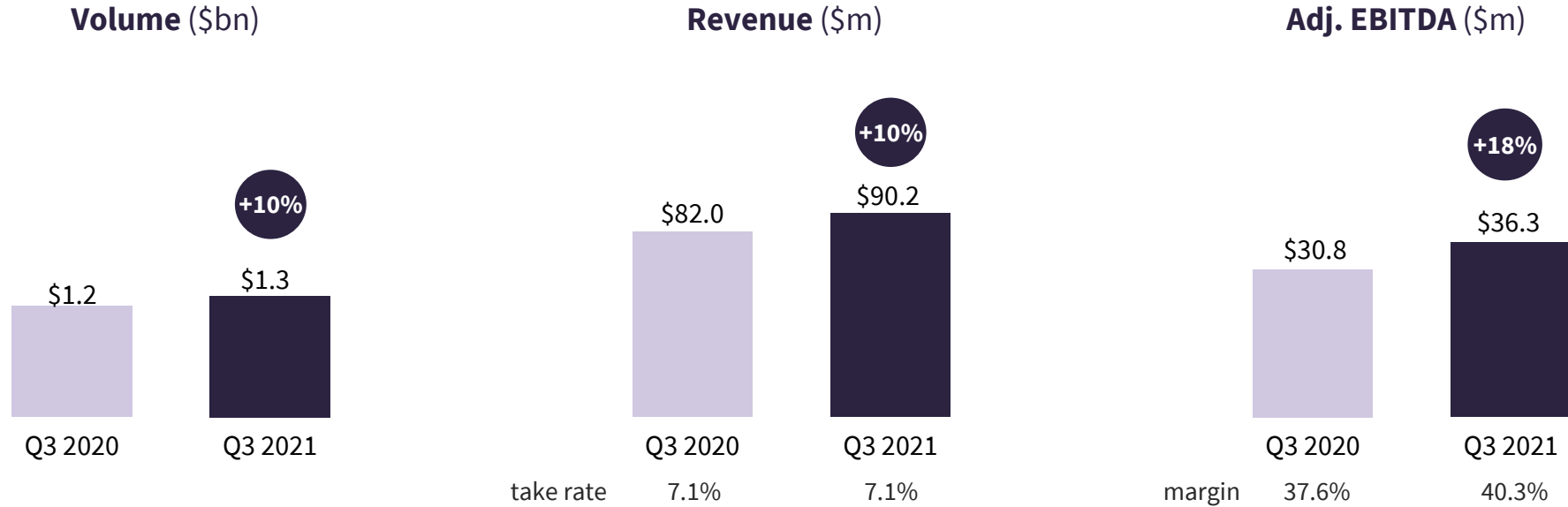
- (1) Amounts predominately consist of direct marketing, but also includes additional card not present volumes in verticals with higher regulation and credit risk profiles including but not limited to insurance, multi-level marketing, credit monitoring and repair, membership and dating as well as retail low risk volume primarily in automotive, restaurant, and retail industries.
- (2) Figures exclude Pay Later, which was divested in October 2020. See appendix for a reconciliation of this non-GAAP financial measure.
- (3) Reflects Paysafe total revenue minus Direct Marketing. Amounts totaled \$335 million in Q3'21 and \$319 million in Q3'20. For Adjusted EBITDA, amounts totaled \$100 million in Q3'21 and \$90 million in Q3'20. Amounts totaled \$1,054 million YTD 2021 and \$936 million in YTD 2020. For Adjusted EBITDA, amounts totaled \$315 million in YTD 2021 and \$271 million in YTD 2020. Direct Marketing Adj. EBITDA amounts do not include allocation of shared costs.

# Q3 summary of consolidated results

<i>\$ in millions, except volume</i>	<b>Q3'20<sup>(1)</sup></b>	<b>Q3'21</b>	<b>Change</b>
Volume	\$26.2bn	\$31.1bn	19%
Revenue	\$355.5	\$353.6	(1%)
Gross Profit (excluding D&A)	\$220.2	\$208.7	(5%)
Margin %	61.9%	59.0%	
Adj. EBITDA	\$107.3	\$106.4	(1%)
Margin %	30.2%	30.1%	
Depreciation and amortization	\$66.1	\$61.8	(7%)
Interest expense, net	\$42.6	\$19.3	(55%)
Net loss attributable to Paysafe	(\$38.1)	(\$147.2)	NM

- Impairment charge of \$322m relating to intangible assets within Digital Wallet segment
- Fair value gain of \$94m resulting from the remeasurement of the warrant liability at quarter-end

# eCash segment

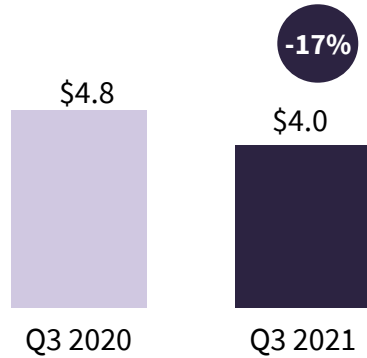


- Strong revenue and Adj. EBITDA growth - moderating with the end of lockdowns in Europe and regulatory impacts
- Q3 2021 revenue run rate 26% higher than Q3 2019 (constant Fx)
- Excluding Germany and Netherlands, revenue increased >20%
- Overall active users 11.5m<sup>(1)</sup>

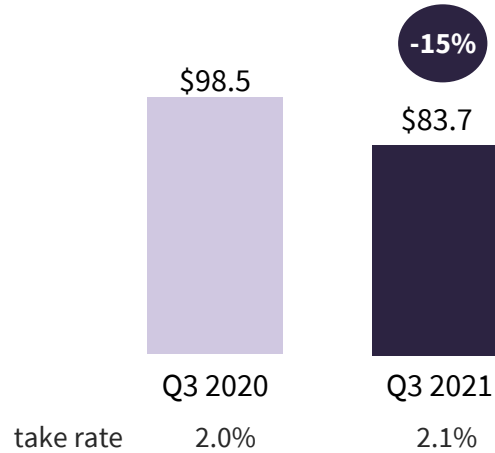


# Digital Wallet segment

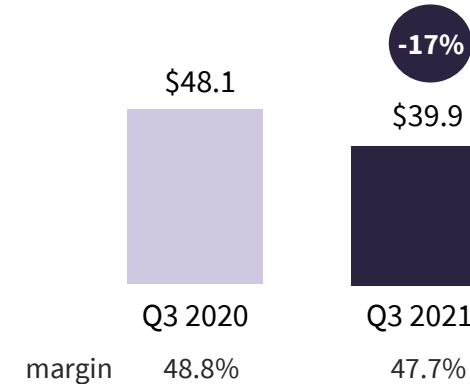
Volume (\$bn)



Revenue (\$m)

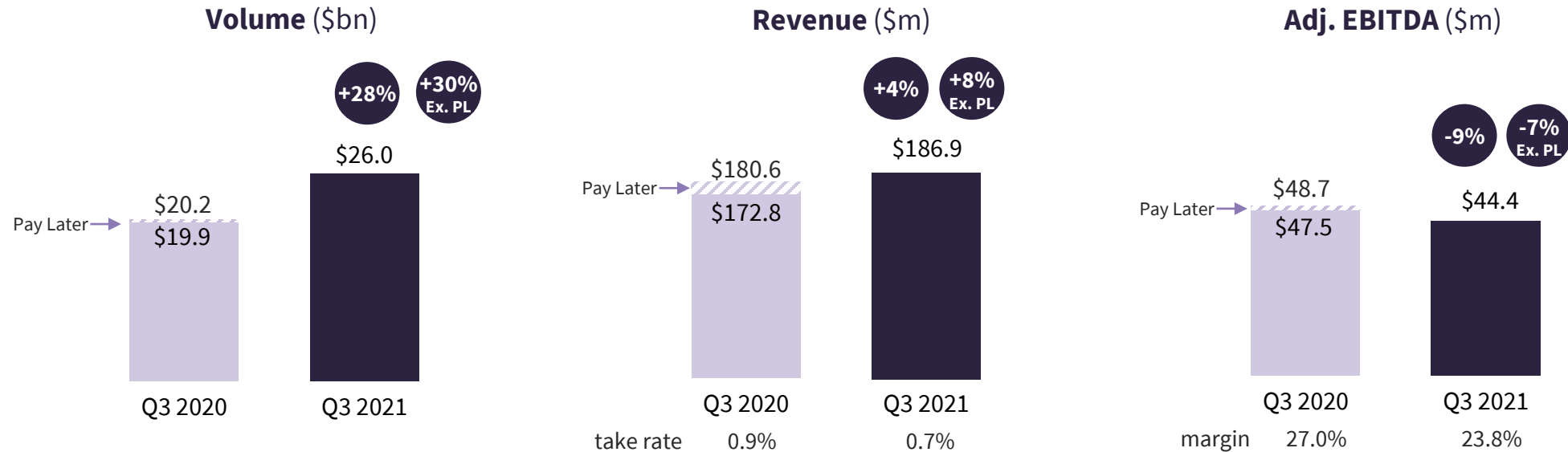


Adj. EBITDA (\$m)



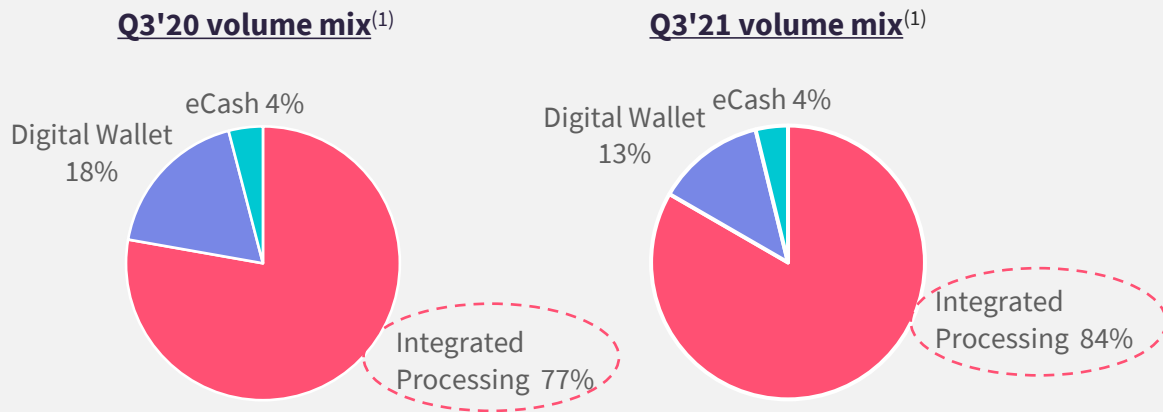
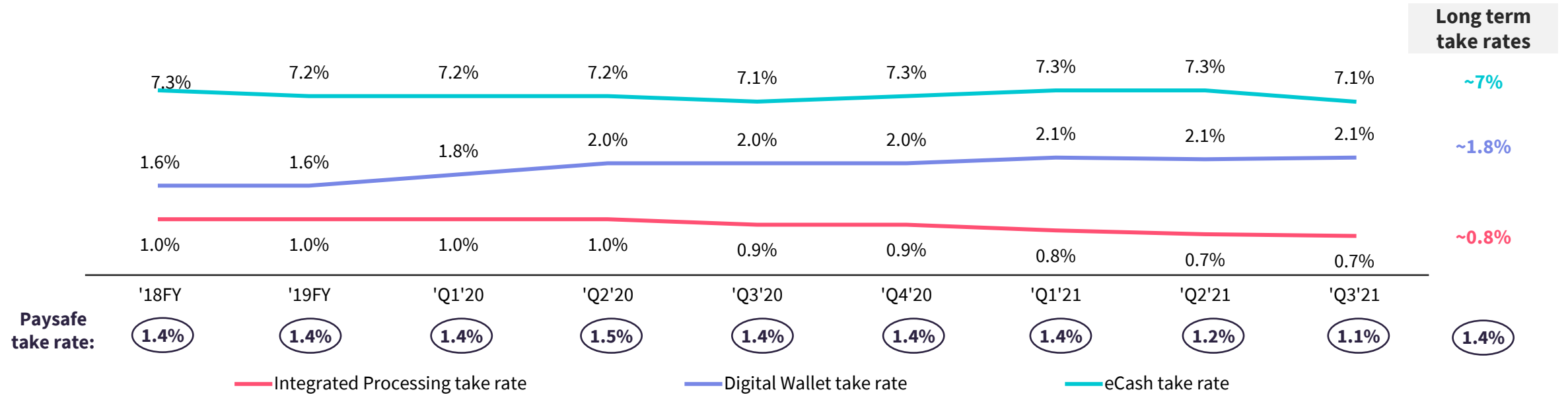
- Volume and revenue reflect a combination market softness including regulatory impacts in Europe and performance challenges
- Take rates remain stable
- Active users 3.2m<sup>(1)</sup>

# Integrated Processing segment



- Strong underlying growth excluding direct marketing and divestiture
- US acquiring remains healthy with growth normalizing
- Direct marketing recovering as expected with sequential improvement
- Take rate compression reflects mix — lower volume from Direct Marketing (high take rate) and strong volume growth in ISO and ISV channels (lower take rate)
- Excluding Direct Marketing and Pay Later (divested Oct 2020), Revenue and Adj. EBITDA would have increased ~16% and ~19%, respectively (see appendix)

# Sustained take rates across segments



## Integrated Processing volume mix and growth

\$bn	Q3'21	YoY	YTD	Take rate range
US Acquiring	\$19.8	+36%	+39%	0.7% to 0.9%
Integrated eComm	\$5.3	+21%	+34%	0.5% to 0.6%
Direct Marketing	\$0.8	-11%	-19%	2.0% to 3.0%

# Leverage summary

Liquidity summary (\$m)	9/30/21
Cash and cash equivalents	\$262
Undrawn amounts under revolving credit facility <sup>(1)</sup>	\$170

Leverage (\$m)	9/30/21
Total debt <sup>(1)</sup>	\$2,169
Cash and cash equivalents	\$262
Net debt <sup>(1)</sup>	\$1,907
Net debt-to-LTM Adj. EBITDA <sup>(2)</sup>	4.4x

- Increased draw on revolving credit facility (Q3 acquisition of PagoEfectivo)
- Committed \$390m and €275m incremental senior secured loans to refinance drawn revolver and finance acquisitions of viafintech and SafetyPay (expected to be drawn Q4)
- Maintaining significant covenant headroom
- Continued commitment to long-term leverage goal of 3.5x

# Revising 2021 guidance

\$millions	2021 FY Guidance		Q4 Guidance
	Prior	Current	
Revenue	\$1,530 – \$1,550	\$1,470 – \$1,480	\$355 – \$365
<i>Year-over-year growth<sup>(1)</sup></i>	9% – 10%	~5%	(4%) – (1%)
Gross Profit (excl. D&A)	\$930 – \$970	\$870 – \$880	\$205 – \$215
<i>Gross Margin</i>	61% – 63%	~59%	58% – 59%
Adj. EBITDA	\$480 – \$495	\$425 – \$435	\$90 – \$100
<i>Adj. EBITDA Margin</i>	~32%	~29%	25% – 27%
Cost of Services (excl. D&A) + SG&A (excl. SBC)	\$1,030 – \$1,070	~\$1,045	~\$265
<i>% of Revenue</i>	67% – 69%	~71%	73% – 75%

## 2021 revised expectations

- Resetting Digital Wallet
- Different timing and scope of eCommerce deals
- Includes contribution from PagoEfectivo and viafintech but not SafetyPay

# 2022 preliminary expectations

\$millions	2022 preliminary
Revenue	\$1,530 – \$1,580
Adj. EBITDA	\$440 – \$460

- eCash moderating; regulatory impacts in 1H; inorganic growth (PagoEfectivo, viafintech, SafetyPay\*)



- Direct Marketing recovery



- Integrated Processing - double-digit growth



- Digital wallet reset





# Summary

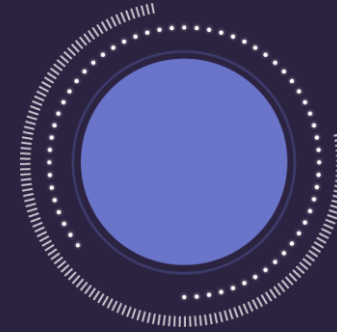
Focused on delivering on our strategic priorities, underscored by multiple payment options and risk management, to partner with leading-edge companies in fast growing verticals

Resetting the  
2021 and 2022  
financial outlook

Clear path forward to address  
challenges and unlock value  
in Digital Wallets

Confident in our  
long-term outlook

**Paysafe:**



# Appendix

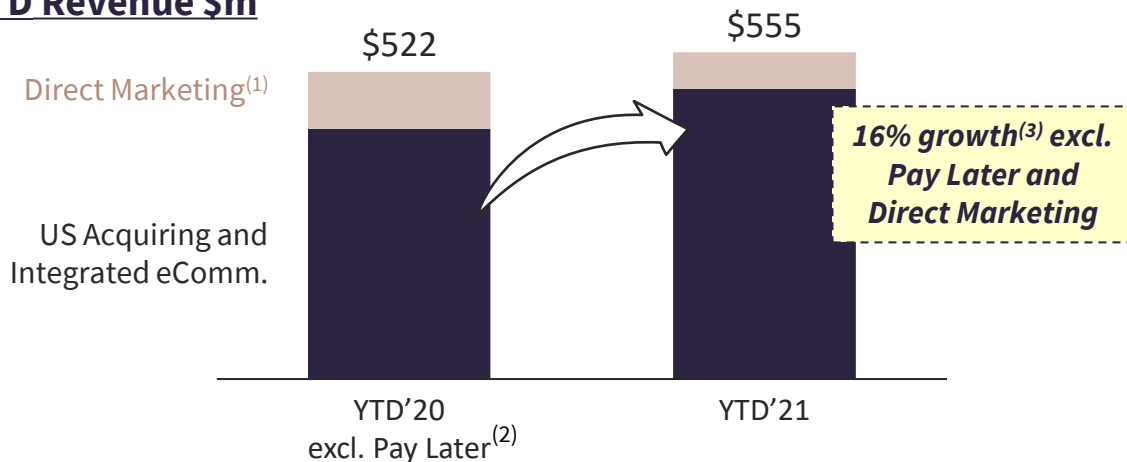




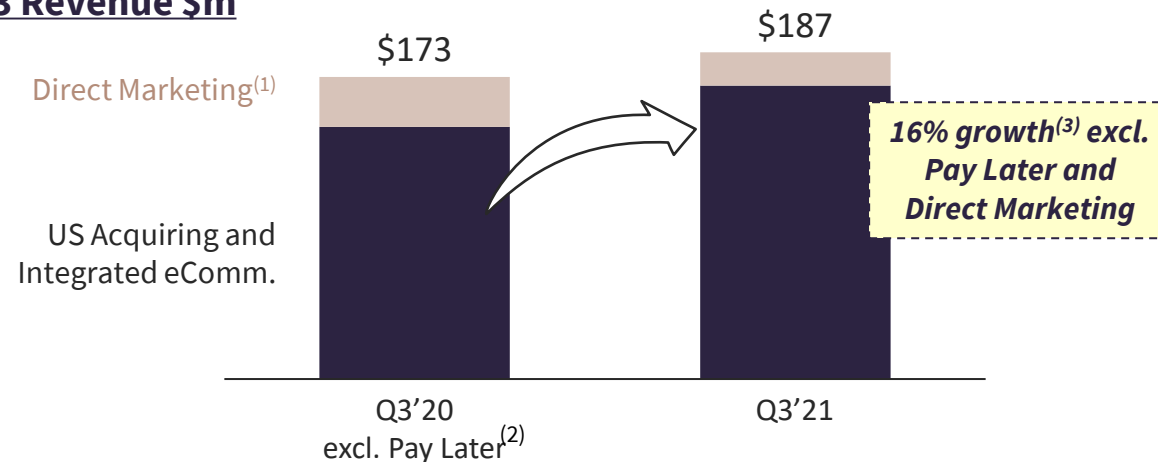
# Integrated Processing: absorbing direct marketing headwind in 2021

Direct marketing improves sequentially; YoY headwind moderating in 2H

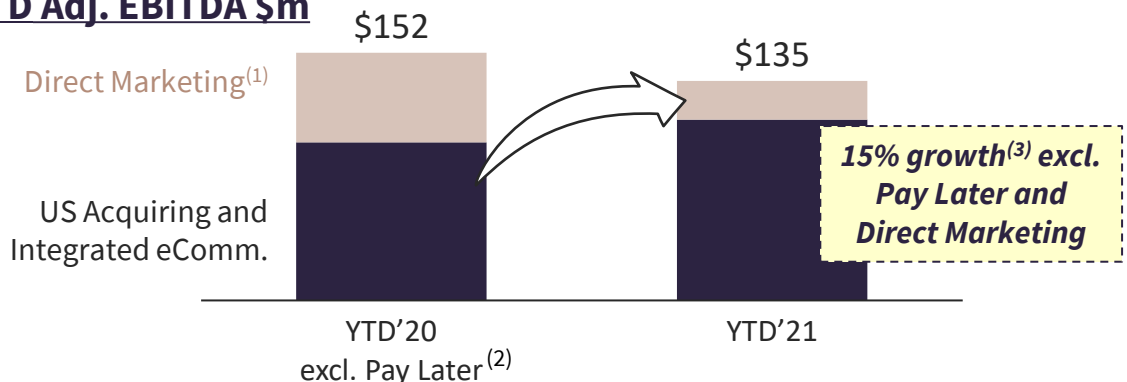
## YTD Revenue \$m



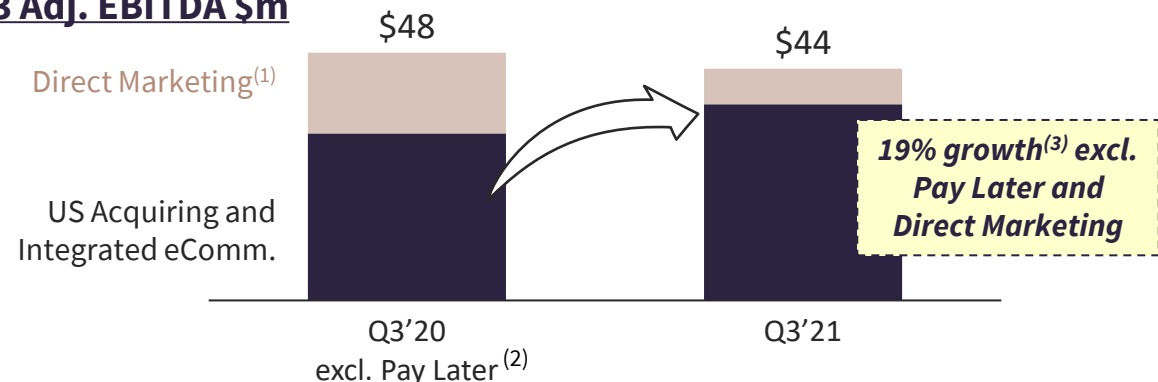
## Q3 Revenue \$m



## YTD Adj. EBITDA \$m



## Q3 Adj. EBITDA \$m



(1) Amounts predominately consist of direct marketing, but also includes additional card not present volumes in verticals with higher regulation and credit risk profiles including but not limited to insurance, multi-level marketing, credit monitoring and repair, membership and dating as well as retail low risk volume primarily in automotive, restaurant, and retail industries  
 (2) Figures exclude Pay Later, which was divested in October 2020. See appendix for a reconciliation of this non-GAAP financial measure.  
 (3) Reflects Integrated Processing segment minus Direct Marketing. Revenue amounts totaled \$168 million in Q3'21 and \$144 million in Q3'20. For Adjusted EBITDA, amounts totaled \$38 million in Q3'21 and \$32 million in Q3'20. Revenue amounts totaled \$493 million YTD 2021 and \$425 million in YTD 2020. For Adjusted EBITDA, amounts totaled \$111 million in YTD 2021 and \$97 million in YTD 2020. Direct Marketing Adj. EBITDA amounts do not include allocation of shared costs.

# Supplemental segment data

	Q1 2021	Q2 2021	Q3 2021
<b>Volume (\$m)</b>			
Integrated Processing	\$ 21,565	\$ 26,356	\$ 25,953
Digital Wallets	4,602	4,698	3,995
eCash	1,549	1,432	1,268
Intersegment	(204)	(194)	(156)
<b>Total</b>	<b>\$ 27,512</b>	<b>\$ 32,292</b>	<b>\$ 31,060</b>
<b>Take Rate</b>			
Integrated Processing	0.8%	0.7%	0.7%
Digital Wallets	2.1%	2.1%	2.1%
eCash	7.3%	7.3%	7.1%
<b>Total</b>	<b>1.4%</b>	<b>1.2%</b>	<b>1.1%</b>
<b>Revenue (\$000s)</b>			
Integrated Processing	\$ 176,903	\$ 191,230	\$ 186,890
Digital Wallets	94,923	97,269	83,663
eCash	112,916	103,877	90,174
Intersegment	(7,318)	(8,033)	(7,141)
<b>Total</b>	<b>\$ 377,424</b>	<b>\$ 384,343</b>	<b>\$ 353,585</b>
<b>Gross Profit (\$000s)<sup>(1)</sup></b>			
Integrated Processing	\$ 91,603	\$ 93,937	\$ 92,665
Digital Wallets	70,278	75,267	63,649
eCash	64,505	59,358	52,409
Intersegment	1	3	10
<b>Total</b>	<b>\$ 226,386</b>	<b>\$ 228,565</b>	<b>\$ 208,734</b>

# Statement regarding Non-GAAP financial measures

To supplement the Company's condensed consolidated financial statements presented in accordance with generally accepted accounting principles, or GAAP, the company uses non-GAAP measures of certain components of financial performance. This includes Gross Profit (excluding depreciation and amortization), Gross Profit Margin (excluding depreciation and amortization), Adjusted EBITDA, Adjusted EBITDA margin, Free cash flow and Free cash flow conversion, which are supplemental measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("U.S. GAAP").

Gross Profit (excluding depreciation and amortization) is defined as revenue less cost of services (excluding depreciation and amortization). Gross Profit Margin (excluding depreciation and amortization) is defined as Gross Profit (excluding depreciation and amortization) as a percentage of revenue. Management believes Gross Profit to be a useful profitability measure to assess the performance of our businesses and ability to manage cost.

Adjusted EBITDA is defined as net income/(loss) before the impact of income tax (benefit)/expense, interest expense, net, depreciation and amortization, share based compensation, impairment expense on intangible assets, restructuring and other costs, loss/(gain) on disposal of a subsidiaries and other assets, net, and other income/(expense), net. These adjustments also include certain costs and transaction items that are not reflective of the underlying operating performance of the Company. Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of Revenue. Management believes Adjusted EBITDA to be a useful profitability measure to assess the performance of our businesses and improves the comparability of operating results across reporting periods.

Free cash flow is defined as net cash flows provided by/used in operating activities, adjusted for the impact of capital expenditure, payments relating to restructuring and other costs, cash paid for interest and movements in customer accounts and other restricted cash. Capital expenditure includes purchases of property plant & equipment and purchases of other intangible assets, including software development costs. Capital expenditure does not include purchases of merchant portfolios. Free cash flow conversion is defined as free cash flow as a percentage of Adjusted EBITDA. Management believes free cash flow to be a liquidity measure that provides useful information about the amount of cash generated by the business

Management believes the presentation of these non-GAAP financial measures, including Gross Profit, Gross Profit Margin, Adjusted EBITDA and Adjusted EBITDA margin, when considered together with the Company's results presented in accordance with GAAP, provide users with useful supplemental information in comparing the operating results across reporting periods by excluding items that are not considered indicative of Paysafe's core operating performance. In addition, management believes the presentation of these non-GAAP financial measures provides useful supplemental information in assessing the Company's results on a basis that fosters comparability across periods by excluding the impact on the Company's reported GAAP results of acquisitions and dispositions that have occurred in such periods. However, these non-GAAP measures exclude items that are significant in understanding and assessing Paysafe's financial results or position. Therefore, these measures should not be considered in isolation or as alternatives to revenue, net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP.

You should be aware that Paysafe's presentation of these measures may not be comparable to similarly titled measures used by other companies. In addition, the forward-looking non-GAAP financial measures of Adjusted EBITDA, Free Cash Flow conversion and Gross Profit provided herein have not been reconciled to comparable GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. We have reconciled the historical non-GAAP financial measures presented herein to their most directly comparable GAAP financial measures. A reconciliation of our forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the adjusting items necessary for such reconciliations that have not yet occurred, are out of our control, or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.

# GAAP Net Income to Adjusted EBITDA reconciliation

(\$ in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
<b>Net Loss</b>	\$ (147,106)	\$ (38,622)	\$ (200,850)	\$ (123,702)
Income tax benefit	(76,859)	(14,305)	(66,105)	(38,073)
Interest expense, net	19,272	42,578	144,291	123,332
Depreciation and amortization	61,832	66,141	197,408	203,132
Share based compensation expense	8,713	—	92,830	—
Impairment expense on intangible assets	322,210	44,401	324,145	123,804
Restructuring and other costs	14,833	505	22,321	10,511
Loss (gain) on disposal of subsidiaries and other assets, net	—	98	(28)	359
Other (income) expense, net	(96,490)	6,484	(175,573)	31,062
<b>Adjusted EBITDA</b>	<b>\$ 106,405</b>	<b>\$ 107,280</b>	<b>\$ 338,439</b>	<b>\$ 330,425</b>
Adjusted EBITDA Margin	30.1%	30.2%	30.3%	31.3%

Note: As of December 31, 2020, an out of period adjustment related to the period ended March 31, 2020 was identified and corrected for the impairment of certain Digital Wallet's intangible assets. This resulted in the overstatement of Intangible assets, net and understatement of Impairment expense on intangible assets, net of \$21.4 million (\$15.8 million net of tax), respectively, as of March 31, 2020. The prior period results have been revised to reflect the correction of this misstatement.

# GAAP to Non-GAAP reconciliation – growth excluding business disposal

	Three months ended			Nine months ended			FY2020
	September 30,		%	September 30,		%	
	2020	2021		change	2020		2021
(\$ in thousands)							
<b>Paysafe total revenue</b>	<b>\$355,505</b>	<b>\$353,585</b>	-1%	<b>\$1,056,204</b>	<b>\$1,115,352</b>	6%	<b>\$1,426,490</b>
Adjustment for disposed business (Pay Later)	7,741	-		23,611	-		24,030
<b>Paysafe total revenue excluding Pay Later</b>	<b>\$347,764</b>	<b>\$353,585</b>	2%	<b>\$1,032,593</b>	<b>\$1,115,352</b>	8%	<b>\$1,402,460</b>
<b>Integrated Processing total revenue</b>	<b>\$180,557</b>	<b>\$186,889</b>	4%	<b>\$545,171</b>	<b>\$555,034</b>	2%	<b>\$719,982</b>
Adjustment for disposed business (Pay Later)	7,741	-		23,611	-		24,030
<b>Integrated Processing total revenue excluding Pay Later</b>	<b>\$172,816</b>	<b>\$186,889</b>	8%	<b>\$521,560</b>	<b>\$555,034</b>	6%	<b>\$695,952</b>
<b>Net (Loss) / income</b>	<b>(\$38,622)</b>	<b>(\$147,106)</b>		<b>(\$123,702)</b>	<b>(\$200,850)</b>		<b>(\$134,332)</b>
Income tax benefit	(14,305)	(76,859)		(38,073)	(66,105)		(70,554)
Interest expense, net	42,578	19,272		123,332	144,291		164,788
Depreciation and amortization	66,141	61,832		203,132	197,408		265,738
Share based compensation expense	-	8,713		-	92,830		(0)
Impairment expense on intangible assets	44,401	322,210		123,804	324,145		151,820
Restructuring and other costs	505	14,833		10,511	22,321		20,640
(Gain) Loss on disposal of subsidiaries and other assets, net	98	-		359	(28)		(13,137)
Other (income) / expense, net	6,484	(96,490)		31,062	(175,573)		40,805
<b>Total Paysafe Adjusted EBITDA</b>	<b>\$107,280</b>	<b>\$106,405</b>	-1%	<b>\$330,425</b>	<b>\$338,439</b>	2%	<b>\$425,769</b>
Adjustment for disposed business (Pay Later)	1,160	-		4,148	-		4,031
<b>Paysafe total Adjusted EBITDA excluding Pay Later</b>	<b>\$106,120</b>	<b>\$106,405</b>	0%	<b>\$326,277</b>	<b>\$338,439</b>	4%	<b>\$421,737</b>
<b>Integrated Processing total Adjusted EBITDA</b>	<b>\$48,674</b>	<b>\$44,432</b>	-9%	<b>\$155,938</b>	<b>\$135,123</b>	-13%	<b>\$203,708</b>
Adjustment for disposed business (Pay Later)	1,160	-		4,148	-		4,031
<b>Integrated Processing total Adjusted EBITDA excluding Pay Later</b>	<b>\$47,514</b>	<b>\$44,432</b>	-6%	<b>\$151,790</b>	<b>\$135,123</b>	-11%	<b>\$199,677</b>

# Operating Cash Flow to Free Cash Flow reconciliation

(\$ in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
<b>Net cash inflows from operating activities</b>	<b>\$ 51,590</b>	<b>\$ 37,764</b>	<b>\$ 92,600</b>	<b>\$ 172,806</b>
Capital expenditure <sup>(1)</sup>	(22,914)	(15,903)	(61,535)	(45,659)
Cash paid for interest	6,933	59,934	62,797	117,780
Payments relating to restructuring and other costs <sup>(2)</sup>	8,035	2,776	12,215	14,900
Movement in customer accounts and other restricted cash <sup>(3)</sup>	26,508	(25,750)	127,199	(20,381)
<b>Free Cash Flow</b>	<b>\$ 70,152</b>	<b>\$ 58,821</b>	<b>\$ 233,276</b>	<b>\$ 239,446</b>
Adjusted EBITDA	106,405	107,280	338,439	330,425
<b>Free Cash Flow Conversion</b>	<b>66%</b>	<b>55%</b>	<b>69%</b>	<b>72%</b>

(1) Includes purchases of property plant & equipment and purchases of other intangible assets, including software development costs. Capital expenditure does not include purchases of merchant portfolios.

(2) Restructuring and other costs include acquisition costs related to the Company's merger and acquisition activity, restructuring costs, strategic transformation costs resulting from value creation initiatives following business acquisitions and professional consulting and advisory fees related to public company readiness activities. This includes certain professional advisory costs, office closure costs and resulting severance payments to employees.

(3) In accordance with ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, the Company includes customer accounts and other restricted cash in the Cash and Cash Equivalents balance reported in the Consolidated Statements of Cash Flows. Management consider the movement in Customer accounts and other restricted cash as settlement related, and have therefore offset against movements in Settlement Receivables and Funds payable and amounts due to customers. The movement stated is net of foreign exchange movements on translation of non-USD subsidiaries to USD at the reporting date, as well as realized foreign exchange movements.

# GAAP Gross Profit to Gross Profit (excl. D&A) reconciliation

(\$ in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
<b>Revenue</b>	\$ 353,585	\$ 355,505	\$ 1,115,352	\$ 1,056,204
Cost of services (excluding depreciation and amortization)	144,852	135,352	451,667	390,985
Depreciation and amortization	61,832	66,141	197,408	203,132
<b>Gross Profit <sup>(1)</sup></b>	\$ 146,901	\$ 154,012	\$ 466,277	\$ 462,087
Depreciation and amortization	61,832	66,141	197,408	203,132
<b>Gross Profit (excluding depreciation and amortization)</b>	\$ 208,733	\$ 220,153	\$ 663,685	\$ 665,219

(1) Gross Profit has been calculated as revenue, less cost of services and depreciation and amortization. Gross profit is not presented within the Company's consolidated financial statements.