

# Second Quarter 2023 Earnings

AUGUST 15, 2023

**Paysafe:**



# 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,” “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, cryptocurrency regulations, consumer and business privacy and data use regulations or other regulations in Bermuda, the UK, Ireland, Switzerland, the United States, Canada and elsewhere; risks related to our focus on specialized and high-risk verticals; geopolitical events and the economic and other impacts of such geopolitical events and the responses of governments around the world; acts of war and terrorism; the effects of global economic uncertainties, including inflationary pressure and rising interest rates, on consumer and business spending; risks associated with foreign currency exchange rate fluctuations; 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 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 sponsorships; 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; our ability to manage regulatory and litigation risks, and the outcome of legal and regulatory proceedings; 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; 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; the effect of the COVID-19 pandemic on our business; 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.

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## 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.

# Summary

Volume<sup>1</sup>  
**\$35bn**  
+6% YoY

Revenue  
**\$402m**  
+5% YoY cc<sup>2</sup>; +6%

Adj. EBITDA  
**\$113m**  
28.1% margin (+90 bps)

Adj. Net Income  
**\$35m**  
\$0.56 per share

Net Leverage  
**5.6x**  
versus 5.8x Dec-22

- 4<sup>th</sup> consecutive quarter of reported YoY revenue growth; strength across SMB, e-commerce and classic digital wallets
- +5% total revenue growth YoY CC (Merchant Solutions +6% and Digital Wallets +5% CC)
- Adj. EBITDA margin increased 90 bps YoY
- 37 enterprise wins<sup>3</sup> in Q2 with continued success cross-selling into existing client base and multi-product new client wins
- Raising 2023 full year outlook including revenue growth in the range of 6.5% to 7.5%; continue to expect >100 bps in Adj. EBITDA margin expansion

# Continued progress on our growth priorities

## Sales Transformation

Q2 enterprise deal examples across Paysafe's core strategic verticals

### Gaming

### Travel & Leisure

### Retail & Hospitality

### Digital Assets

Cross-Selling Products to Existing Merchants



Expanding Merchants to New Regions

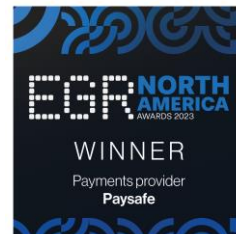


Winning New Enterprise Merchants





## Customer Experience

- Wallet enhancements supporting deposit success, self service and merchant checkout conversion – **overall user engagement**
- EGR North America Award for **Payments Provider of the Year** – third year in a row



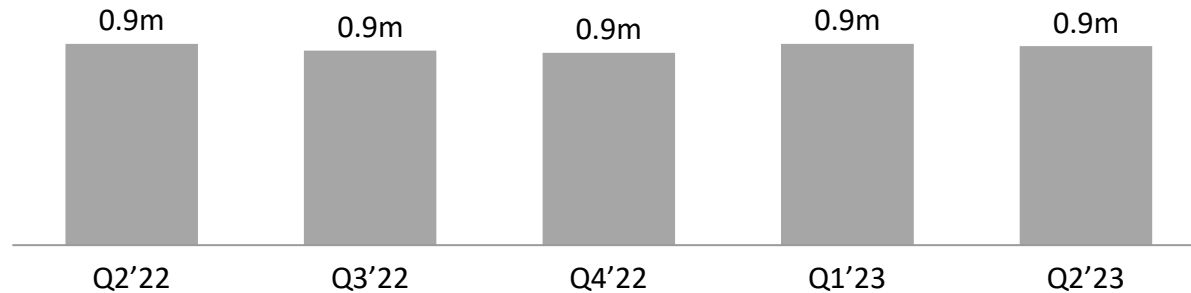
## Product Innovation

- Paysafe eCash launched new features to drive higher engagement and retention
- Enablement of **top regional payment methods** 
- Started enabling **network tokenization** to improve customer experience, reduce fraud and increase authorization rates 

# Classic digital wallets

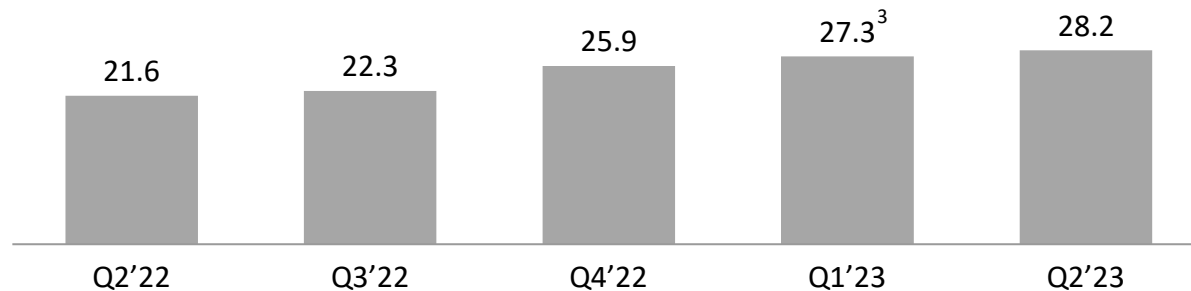
## 3-month active users<sup>2</sup>

classic digital wallet underlying active user trend



## Average transactions per active user (TPA)

classic digital wallet TPA, based on 3-month actives



Reflects classic digital wallets (Skrill, NETELLER) and does not reflect the reported segment, which combines classic digital wallets and eCash solutions.

Metrics exclude embedded wallet, except for Revenue growth.

(1) Revenue growth, excluding a \$1.4m benefit related to movement in foreign exchange rates.

(2) Underlying 3-month active users exclude war impacted territories (Russia, Ukraine, Belarus) and Nigeria (one-off benefit in prior year).

(3) Due to a revision in the TPA calculation previously presented on May 16, 2023, the Q1'23 period has been increased to 27.3 (revised) from 24.9 (prior).

Revenue<sup>1</sup> +12% cc

Q2 classic digital wallets  
growth YoY

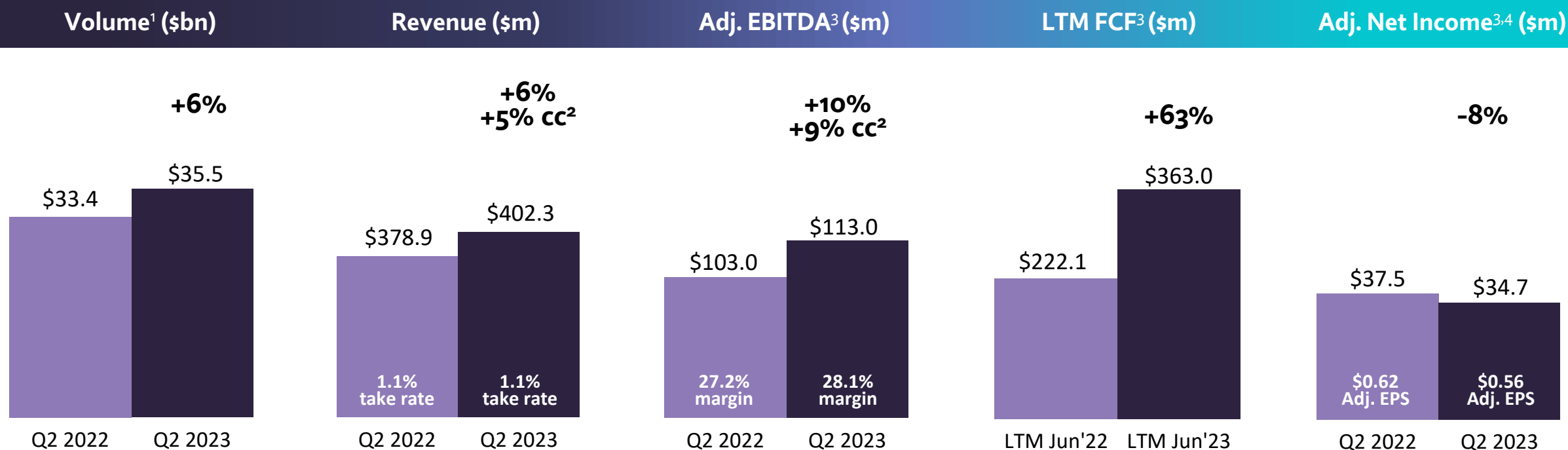
- Stability in active user base of classic digital wallets
- ~10% growth in average revenue per user Q2 and YTD (excl. interest revenue)
- Customer experience and improvement to merchant checkout conversion supporting retention and driving higher spend per user



# Q2 2023 Financial Results

**Paysafe:**

# Q2 financial highlights



- Volume mix:  
85% Merchant, 15% Wallet

- Growth driven by US SMB, e-comm (e.g., NA iGaming) and classic digital wallets
- 1H23 revenue growth +6% CC (FX headwind \$4m in 1H)

- Adj. EBITDA margin +90 bps reflecting higher gross margin in Digital Wallets and operating leverage

- 86% LTM FCF conversion of Adj. EBITDA
- Leverage reduced to 5.6x (from 5.8x at 2022 year-end)

- Lower Adj. Net Income reflects higher interest rates
- GAAP net loss \$1.8m vs. \$658.7m net loss in Q2'22

Note: Volume = total payment volume. Take rate = total revenue divided by volume. CC = constant currency. LTM = last twelve months.

(1) Volume excludes embedded wallet-related volumes of \$6.9 billion Q2'23 and \$13.5 billion Q2'22. Volume mix excludes inter-segment amounts.

(2) Q2 constant currency growth excludes revenue and Adj. EBITDA benefit of \$3.2 million and \$1.0 million, respectively, resulting from movement in foreign exchange rates.

(3) Adj. EBITDA, FCF, Adj Net Income and Adj EPS are non-GAAP financial measures. See the appendix of this presentation for reconciliations to the most directly comparable GAAP financial measures.

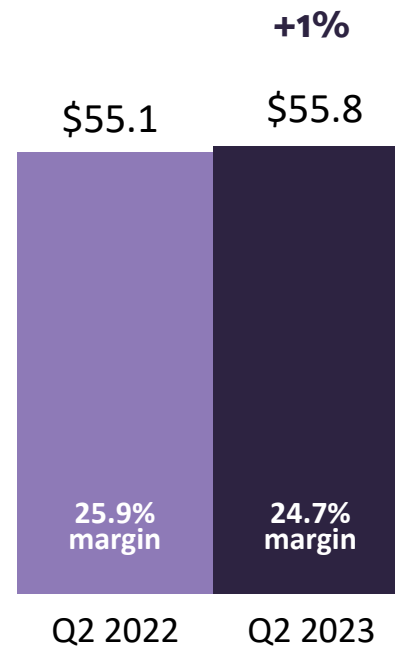
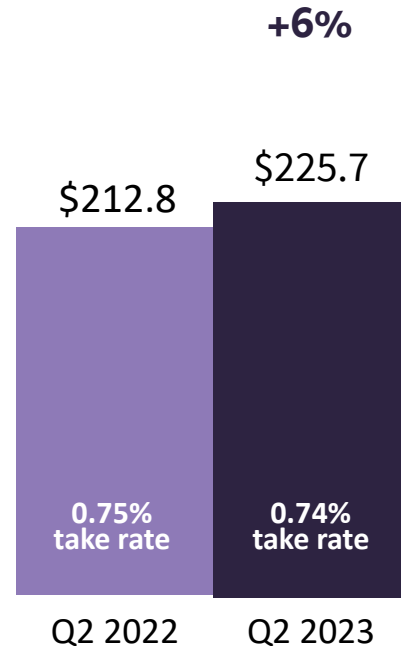
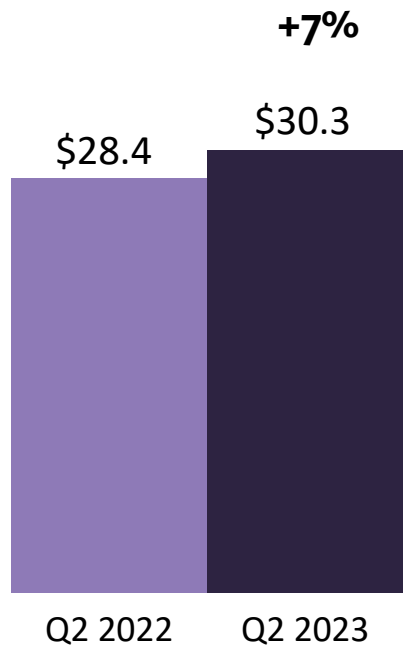
(4) The denominator in the calculation for Adj. EPS for Q2'22 has been retroactively adjusted to reflect the 1-for-12 reverse stock split effective December 12, 2022.

# Merchant Solutions

Volume (\$bn)

Revenue (\$m)

Adj. EBITDA (\$m)



- Performance driven by U.S. SMB, led by third-party partner channel
- Growth in e-comm driven by North America iGaming
- Margin decline reflects mix

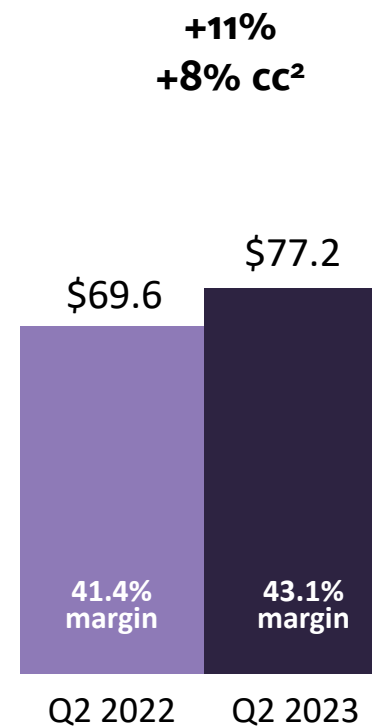
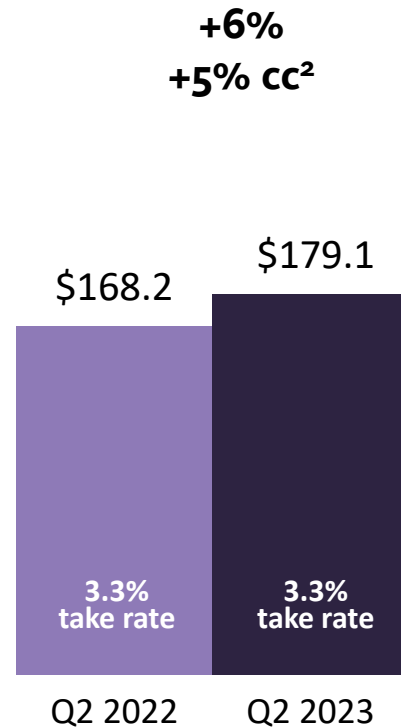
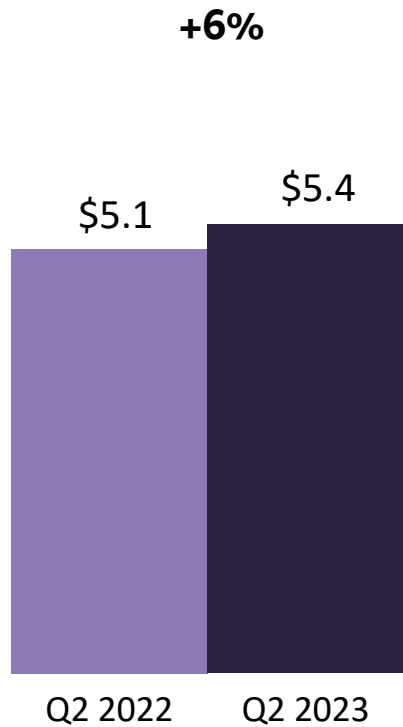


# Digital Wallets

Volume<sup>1</sup> (\$bn)

Revenue (\$m)

Adj. EBITDA (\$m)



- Growth driven by classic digital wallets with progress across initiatives as well as interest revenue
- 4<sup>th</sup> consecutive quarter of CC YoY growth

# Continued focus on reducing leverage

Liquidity position (\$m)	6/30/23	
Committed RCF <sup>(1)</sup>	\$305	
Amounts drawn	(28)	
Cash and cash equivalents	207	
<b>Total</b>	<b>\$484</b>	
		<b>% total</b>
Facility (as of 6/30/23) (\$m)		
Fixed rate SSN	\$805	
Interest rate swap (notional)	\$337	
Total fixed (excl. digital wallet deposits)	\$1,142	~44%
Natural hedge from interest earning deposits in digital wallet	\$773	
Total fixed (incl. digital wallet deposits)	\$1,915	~74%
Total floating	\$661	~26%
<b>Total Debt<sup>(1)</sup></b>	<b>\$2,576</b>	<b>100%</b>
<b>Net Debt<sup>(1)</sup></b>	<b>\$2,369</b>	
<b>Net Debt-to-LTM Adj. EBITDA<sup>(2)</sup></b>	<b>5.6X</b>	

- \$42m Q2 net repayments of debt; FX movement increased debt by ~\$8m
- Avg. interest rate (incl. interest rate swap) at ~5.6% as of Jun-23 (compared to ~3.5% as of Jun-22)
- Interest expense: Q3e ~\$34-36m
- Net leverage of 5.6x (compared to 5.8x at Dec-22)
- Est. year-end net leverage 5.1x to 5.3x

(1) Total debt includes the outstanding principal on the Company's borrowings. Total debt definition includes the drawn amounts of a local \$75m Credit Facility held in the US outside the Company's Senior Credit Facility. The nature of the facility is to draw on the facility daily and to prefund daily interchange and it acts as a source of working capital. This facility is not considered in total debt for covenant calculation purposes.

(2) Paysafe defines net debt-to-LTM Adj. EBITDA (or "net leverage") as the calculation of net debt (total debt less cash and cash equivalents) divided by the sum of the last twelve months (LTM) of Adjusted EBITDA. For the period ending June 30, 2023, total debt was \$2,575.8 million and cash and cash equivalents was \$206.7 million, and LTM Adjusted EBITDA was \$423.9 million, respectively. For the period ending December 31, 2022, total debt was \$2,643.5 million and cash and equivalents was \$260.2 million, and LTM Adjusted EBITDA was \$410.0 million, respectively.

# Raising 2023 guidance

\$millions	2023 FY Guidance (prior)	2023 FY Guidance (updated)	
Revenue	\$1,580 – \$1,600	\$1,595 – \$1,608	<ul style="list-style-type: none"> <li>• Raising 2023 revenue outlook and raising the low end of Adj. EBITDA outlook</li> <li>• Estimated year-end net leverage 5.1x to 5.3x</li> <li>• Other:               <ul style="list-style-type: none"> <li>– Approximate FX sensitivity: 1% EUR weakening versus USD impacts annual revenue by (\$7m) and Adj. EBITDA by (\$2m)</li> </ul> </li> </ul>
<i>Year-over-year growth</i>	<i>5.6% to 6.9%</i>	<i>6.5% to 7.5%</i>	
Adj. EBITDA	\$452 – \$462	\$454 – \$462	
<i>Year-over-year growth</i>	<i>~10% to ~13%</i>	<i>~11% to ~13%</i>	
<i>Adj. EBITDA margin %</i>	<i>~28.5% to ~29%</i>	<i>~28.5% to ~29%</i>	

# Appendix

# Supplemental: summary of segment results

	2022					2023	
	Q1	Q2	Q3	Q4	FY2022	Q1	Q2
<b>Volume (\$m)</b>							
Merchant Solutions	\$ 25,862	\$ 28,392	\$ 27,826	\$ 28,000	\$ 110,080	\$ 28,571	\$ 30,301
Digital Wallets	5,444	5,095	4,786	5,278	20,603	5,443	5,394
Intersegment	(137)	(126)	(117)	(161)	(541)	(196)	(222)
<b>Total</b>	<b>\$ 31,169</b>	<b>\$ 33,361</b>	<b>\$ 32,495</b>	<b>\$ 33,117</b>	<b>\$ 130,142</b>	<b>\$ 33,818</b>	<b>\$ 35,473</b>
<b>Take Rate</b>							
Merchant Solutions	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Digital Wallets	3.3%	3.3%	3.4%	3.4%	3.3%	3.3%	3.3%
<b>Total</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>
<b>Revenue (\$m)</b>							
Merchant Solutions	\$ 192.3	\$ 212.8	\$ 203.7	\$ 208.5	\$ 817.4	\$ 208.5	\$ 225.7
Digital Wallets	177.8	168.2	163.0	177.1	686.2	181.4	179.1
Intersegment	(2.5)	(2.1)	(0.7)	(2.1)	(7.4)	(2.1)	(2.4)
<b>Total</b>	<b>\$ 367.7</b>	<b>\$ 378.9</b>	<b>\$ 366.0</b>	<b>\$ 383.6</b>	<b>\$ 1,496.1</b>	<b>\$ 387.8</b>	<b>\$ 402.3</b>
<b>Gross Profit, excl. D&amp;A (\$m)</b>							
Merchant Solutions	\$ 97.4	\$ 104.2	\$ 97.4	\$ 101.2	\$ 400.2	\$ 98.7	\$ 105.9
Digital Wallets	123.2	115.7	116.8	126.3	482.0	130.3	129.8
<b>Total</b>	<b>\$ 220.6</b>	<b>\$ 219.9</b>	<b>\$ 214.2</b>	<b>\$ 227.5</b>	<b>\$ 882.1</b>	<b>\$ 228.9</b>	<b>\$ 235.7</b>
<b>Gross Profit Margin, excl. D&amp;A</b>							
Merchant Solutions	51%	49%	48%	49%	49%	47%	47%
Digital Wallets	69%	69%	72%	71%	70%	72%	72%
<b>Total</b>	<b>60%</b>	<b>58%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>
<b>Adj. EBITDA (\$m)</b>							
Merchant Solutions	\$ 48.5	\$ 55.1	\$ 45.6	\$ 51.0	\$ 200.3	\$ 52.3	\$ 55.8
Digital Wallets	74.5	69.6	68.1	77.1	289.4	79.2	77.2
Corporate	(19.1)	(21.8)	(18.3)	(20.6)	(79.8)	(23.7)	(19.9)
<b>Total</b>	<b>\$ 104.0</b>	<b>\$ 103.0</b>	<b>\$ 95.5</b>	<b>\$ 107.6</b>	<b>\$ 410.0</b>	<b>\$ 107.8</b>	<b>\$ 113.0</b>
<b>Adj. EBITDA Margin</b>							
Merchant Solutions	25%	26%	22%	24%	25%	25%	25%
Digital Wallets	42%	41%	42%	44%	42%	44%	43%
<b>Total</b>	<b>28%</b>	<b>27%</b>	<b>26%</b>	<b>28%</b>	<b>27%</b>	<b>28%</b>	<b>28%</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, Adjusted net income, Adjusted net income per share, and net leverage 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 goodwill and 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.

Adjusted net income excludes the impact of certain non-operational and non-cash items. Adjusted net income is defined as net income/(loss) attributable to the Company before the impact of other non-operating income / (expense), net, impairment expense on goodwill and intangible assets, restructuring and other costs, accelerated amortization of debt fees, amortization of acquired assets, loss/(gain) on disposal of subsidiaries and other assets, share based compensation, discrete tax items and the income tax (benefit)/expense on these non-GAAP adjustments. Adjusted net income per share is adjusted net income as defined above divided by adjusted weighted average dilutive shares outstanding. Management believes the removal of certain non-operational and non-cash items from net income enhances shareholders ability to evaluate the Company's business performance and profitability by improving 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.

Net leverage is defined as net debt (total debt less cash and cash equivalents) divided by the last twelve months Adjusted EBITDA. Management believes net leverage is a useful measure of the Company's credit position and progress towards leverage targets.

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 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 and Free Cash Flow conversion 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.

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

(\$ in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Revenue</b>	\$ 402,338	\$ 378,913	\$ 790,187	\$ 746,581
Cost of services (excluding depreciation and amortization)	166,614	158,987	325,553	306,090
Depreciation and amortization	66,425	69,585	129,972	133,008
<b>Gross Profit <sup>(1)</sup></b>	<b>\$ 169,299</b>	<b>\$ 150,341</b>	<b>\$ 334,662</b>	<b>\$ 307,483</b>
Depreciation and amortization	66,425	69,585	129,972	133,008
<b>Gross Profit (excluding depreciation and amortization)</b>	<b>\$ 235,724</b>	<b>\$ 219,926</b>	<b>\$ 464,634</b>	<b>\$ 440,491</b>

# Reconciliation of GAAP Net loss to Adj. EBITDA

(\$ in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Net loss</b>	\$ (1,765)	\$ (658,739)	\$ (5,573)	\$ (1,829,551)
Income tax expense / (benefit)	6,545	(16,618)	10,424	(60,032)
Interest expense, net	36,762	28,426	74,218	54,382
Depreciation and amortization	66,425	69,585	129,972	133,008
Share-based compensation expense	10,907	17,736	18,123	31,706
Impairment expense on goodwill and intangible assets	193	676,456	275	1,882,187
Restructuring and other costs	1,340	41,602	3,330	54,193
Loss on disposal of subsidiaries and other assets, net	—	660	—	660
Other income, net	(7,376)	(56,155)	(9,923)	(59,633)
<b>Adjusted EBITDA</b>	\$ <b>113,031</b>	\$ <b>102,953</b>	\$ <b>220,846</b>	\$ <b>206,920</b>
Adjusted EBITDA Margin	28.1%	27.2%	27.9%	27.7%



# Supplemental: Adj. EBITDA to Adj. Net Income reconciliation

(\$ in thousands)	Three Months Ended	
	June 30,	
	2023	2022
<b>Adjusted EBITDA</b>	<b>\$ 113,031</b>	<b>\$ 102,953</b>
Depreciation and amortisation <sup>(1)</sup>	32,330	26,302
Other operating (income) / expense, net <sup>(2)</sup>	(2,562)	2,456
Interest expense, net	36,762	28,426
Adjusted tax	11,823	8,228
<b>Adjusted Net Income</b>	<b>\$ 34,678</b>	<b>\$ 37,541</b>

(1) Excludes the amortization of acquired intangibles.

(2) Other operating income mainly relates to payments or receipts under derivative financial instruments and certain banking fees

# Reconciliation of GAAP Net loss to Adj. net income

(\$ in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Net loss attributable to the Company</b>	\$ (1,765)	\$ (658,739)	\$ (5,573)	\$ (1,829,922)
Other non-operating income, net <sup>(1)</sup>	(4,814)	(58,611)	(5,578)	(64,019)
Impairment expense on goodwill and intangible assets	193	676,456	275	1,882,187
Amortization of acquired assets <sup>(2)</sup>	34,095	43,283	67,768	85,549
Restructuring and other costs	1,340	41,602	3,330	54,193
Loss on disposal of subsidiaries and other assets, net	—	660	—	660
Share-based compensation expense	10,907	17,736	18,123	31,706
Discrete tax items <sup>(3)</sup>	5,406	13,601	10,885	6,976
Income tax benefit on non-GAAP adjustments <sup>(4)</sup>	(10,684)	(38,447)	(21,476)	(92,528)
<b>Adjusted net income attributable to the Company</b>	<b>\$ 34,678</b>	<b>\$ 37,541</b>	<b>\$ 67,754</b>	<b>\$ 74,802</b>
(in millions)				
<b>Weighted average shares - diluted</b>	<b>61.5</b>	<b>60.5</b>	<b>61.2</b>	<b>60.4</b>
Adjusted diluted impact	0.1	0.1	0.3	0.2
<b>Adjusted weighted average shares - diluted</b>	<b>61.6</b>	<b>60.6</b>	<b>61.5</b>	<b>60.6</b>

Note: Share amounts presented for the prior year periods have been retroactively adjusted to reflect the 1-for-12 reverse stock split effective December 12, 2022.

- (1) Other non-operating income, net primarily consists of income and expenses outside of the Company's operating activities, including, fair value gain / loss on warrant liabilities and loss on contingent consideration and gain / loss on foreign exchange. For the three and six months ended June 30, 2023, this item also includes the gain to repurchase secured notes and fair value loss on derivative instruments.
- (2) Amortization of acquired asset represents amortization expense on the fair value of intangible assets acquired through various Company acquisitions, including brands, customer relationships, software and merchant portfolios.
- (3) Discrete tax items represents certain amounts within income tax (benefit)/expense, including changes in uncertain tax positions and the remeasurement of certain deferred tax balances due to changes in the statutory tax rates in certain jurisdictions.
- (4) Income tax benefit on non-GAAP adjustments reflects the tax impact of the non-GAAP adjustments to net loss attributable to the Company to calculate adjusted net income.

# Adjusted Net Income per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator (\$ in thousands)				
Adjusted net income attributable to the Company - basic	\$ 34,678	\$ 37,541	\$ 67,754	\$ 74,802
Adjusted net income attributable to the Company - diluted	\$ 34,678	\$ 37,541	\$ 67,754	\$ 74,802
Denominator (in millions)				
Weighted average shares – basic	61.5	60.5	61.2	60.4
Adjusted weighted average shares – diluted <sup>(1)</sup>	61.6	60.6	61.5	60.6
Adjusted net income per share attributable to the Company				
Basic	\$ 0.56	\$ 0.62	\$ 1.11	\$ 1.24
Diluted	\$ 0.56	\$ 0.62	\$ 1.10	\$ 1.23

# Reconciliation of Operating Cash Flow to Free Cash Flow

(\$ in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Net cash (outflows) / inflows from operating activities</b>	\$ (233,924)	\$ 875,599	\$ (352,885)	\$ 1,379,447
Capital Expenditure	(25,458)	(24,092)	(55,826)	(44,731)
Cash paid for interest	45,991	29,856	74,884	44,610
Payments relating to Restructuring and other costs	5,481	7,995	29,165	20,136
Movement in Customer Accounts and other restricted cash	302,647	(849,697)	469,674	(1,300,579)
<b>Free Cash Flow</b>	\$ 94,737	\$ 39,661	\$ 165,012	\$ 98,883
Adjusted EBITDA	113,031	102,953	220,846	206,920
<b>Free Cash Flow Conversion</b>	<b>84%</b>	<b>39%</b>	<b>75%</b>	<b>48%</b>

(\$ in thousands)	Last Twelve Months June 30,	
	2023	2022
<b>Net cash (outflows) / inflows from operating activities</b>	\$ (808,254)	\$ 1,562,905
Capital Expenditure	(104,703)	(89,953)
Cash paid for interest	132,508	80,291
Payments relating to Restructuring and other costs	58,999	37,691
Movement in Customer Accounts and other restricted cash	1,084,436	(1,368,841)
<b>Free Cash Flow</b>	\$ 362,986	\$ 222,093
Adjusted EBITDA	423,877	418,784
<b>Free Cash Flow Conversion</b>	<b>86%</b>	<b>53%</b>



# Thank you

**Paysafe:**