



First Quarter 2023 Earnings

MAY 16, 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.

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.

Summary

Q1'23 results

- +7% total revenue growth YoY CC
- Merchant Solutions +8% (incl. double-digit e-comm growth) and Digital Wallets +6% CC

Organization update

- Welcomed Nicole Carroll – Chief Strategy & Innovation Officer
- Continued to expand sales organization

2023 outlook

- Maintaining FY outlook – driving growth and margin improvement

Volume¹
\$34bn
+8% YoY

Revenue
\$388m
+7% YoY cc²; +5%

Adj. EBITDA
\$108m
27.8% margin

Adj. Net Income
\$33m
\$0.54 per share

Recent Highlights



Ranked **#3** on J.D. Power U.S. Merchant Services Satisfaction Study



North America iGaming launches in 3 new states (OH, MA, WA) with multiple operators



20 multi-product, enterprise³ deals in Q1

CC = constant currency.

Note: Adj. EBITDA and Adj Net Income are non-GAAP financial measures. See appendix for reconciliations of non-GAAP measures.

(1) Volume excludes embedded wallet-related volumes of \$9.6 billion 1Q23 and \$4.4 billion 1Q22.

(2) Constant currency growth excludes revenue headwinds of \$7.3 million, resulting from movement in foreign exchange rates.

(3) Enterprise reflects deals with annual contract value >\$100K.

**Sales transformation
focused on new
customer acquisition,
cross-selling and
geographical expansion**

Paysafe:

Q1 enterprise deal examples

Cross-Selling Products to Existing Merchants



Client vertical:
3 gaming merchants (Europe)

Solutions provided:
Adding card processing for existing digital wallet clients

Paysafe advantage:
Trusted partner with strong brand recognition and long-standing relationships

Expanding Merchants to New Regions



Client vertical:
Forex/multi-asset trading

Solutions provided:
Expanding to LatAm (digital wallets/SafetyPay)

Paysafe advantage:
Existing client in Europe; easy expansion to LatAm through a single API

Winning New Merchants



Client vertical:
Cryptocurrency exchange

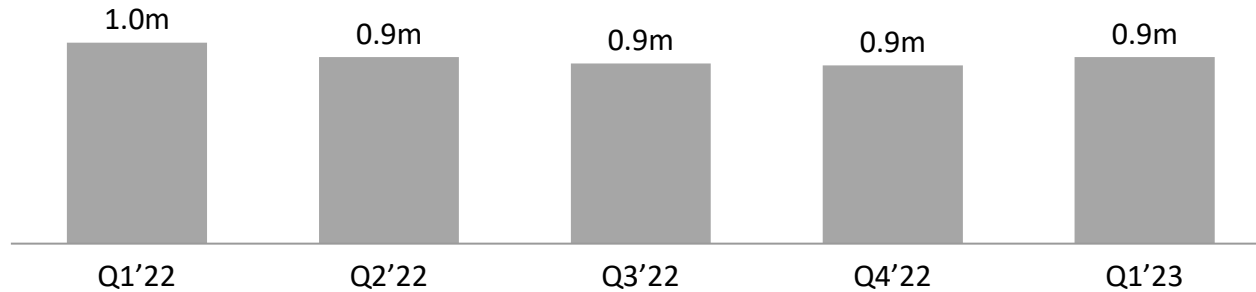
Solutions provided:
Full suite of traditional and alternative payments

Paysafe advantage:
Higher conversion rates; single API connection; extensive LatAm network

Returning to growth in classic digital wallet

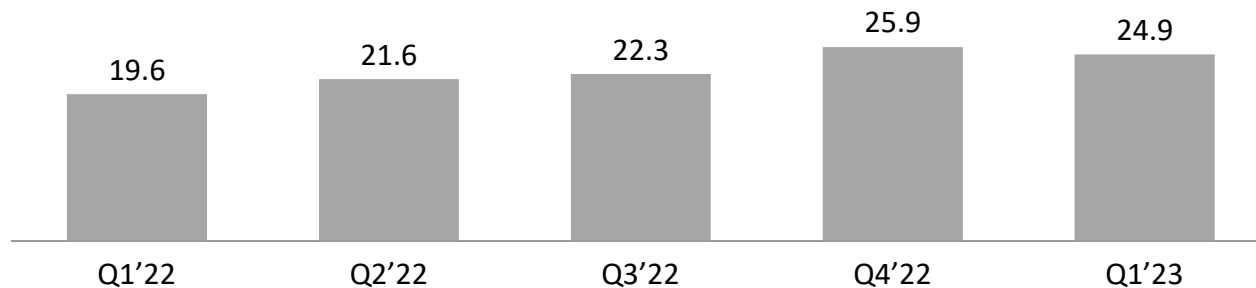
Stability in 3-month active users²

classic digital wallet underlying active user trend



Growth in avg. transactions per active user (TPA)

classic digital wallet TPA, based on 3-month actives



Revenue¹ +10%cc

Q1 classic digital wallet growth YoY

- Stability in active user base
- Double-digit growth in 3-month transactions, TPA and average revenue per active user
- Continued focus on innovation, customer acquisition and retention to drive active user growth



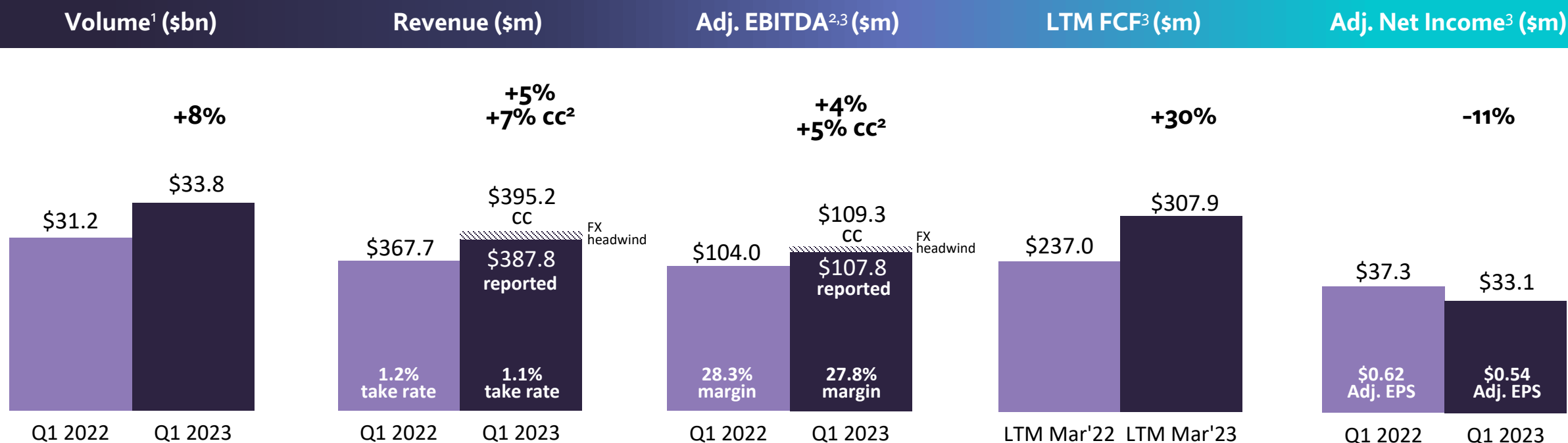
Q1 2023 Financial Results

Paysafe:

Q1 revenue exceeds guidance range, Adj. EBITDA in line

\$millions	Q1 Guidance (midpoint ¹)	Q1 Actual
Revenue	\$377.5	✓ \$387.8
Adj. EBITDA	\$106.5	✓ \$107.8
Adj. EBITDA margin %	~28%	✓ 27.8%

Q1 financial highlights



- Volume mix % (YoY change):
84% Merchant (+150bps)
16% Wallet (-140bps)

- Solid constant currency growth from both segments
- Strong performance from classic digital wallet and e-commerce

- Margin decline includes higher unallocated/Corp. SG&A (e.g., exec severance)

- 74% LTM FCF conversion of Adj. EBITDA

- Lower Adj. Net Income mainly reflects higher interest expense
- GAAP net loss of \$3.8m vs. \$1.2bn loss Q1'22 (impairment charge prior year)

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 \$9.6 billion Q1'23 and \$4.4 billion Q1'22. Volume mix and change exclude inter-segment amounts.

(2) Q1 constant currency growth excludes revenue and Adj. EBITDA headwinds of \$7.3 million and \$1.5 million, respectively, resulting from movement in foreign exchange rates.

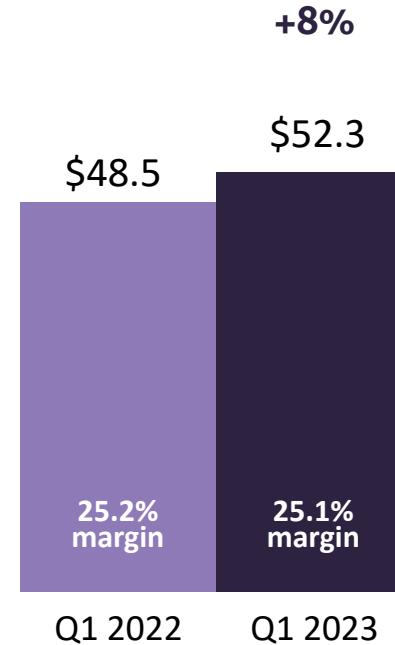
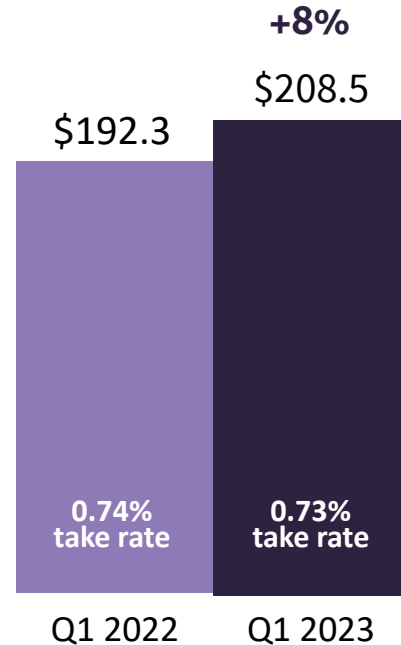
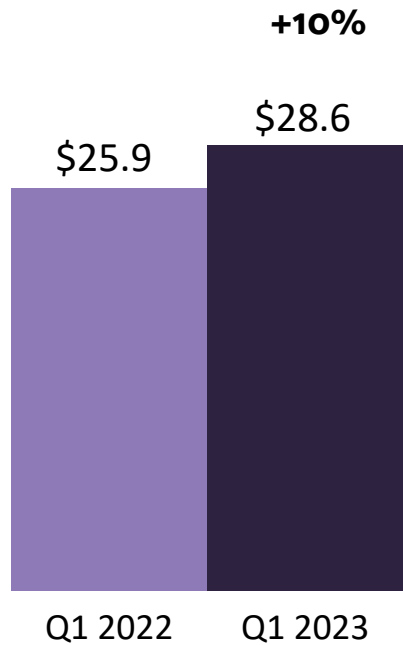
(3) Adj. EBITDA, FCF, Adj Net Income and Adj EPS are non-GAAP financial measures. See the appendix of this presentation for reconciliations to the most directly comparable GAAP financial measures.

Merchant Solutions

Volume (\$bn)

Revenue (\$m)

Adj. EBITDA (\$m)



- Volume and revenue reflect double-digit e-comm growth and resiliency in US SMB
- YoY comparison includes prior year Omicron impact in Jan '22

Digital Wallets

Volume¹ (\$bn)

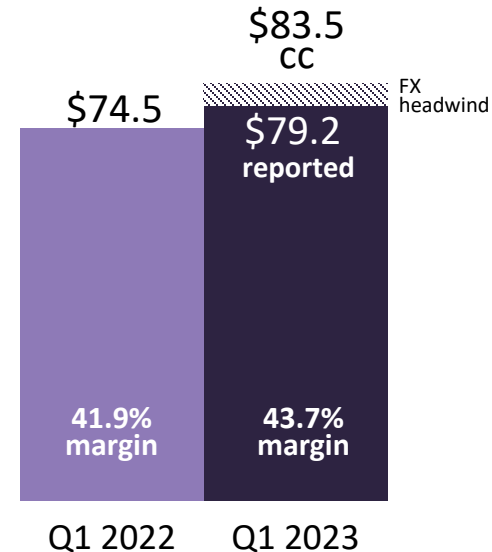
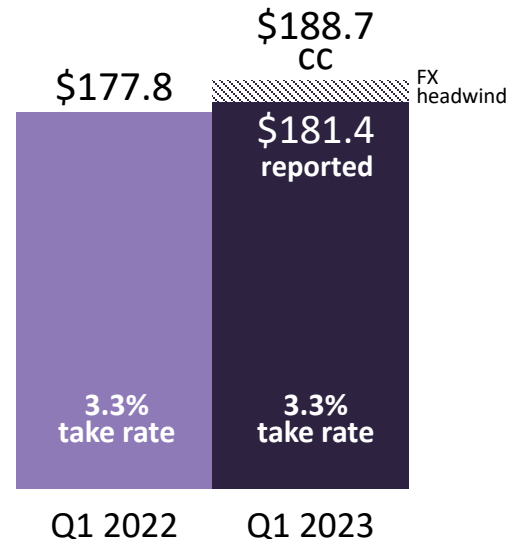
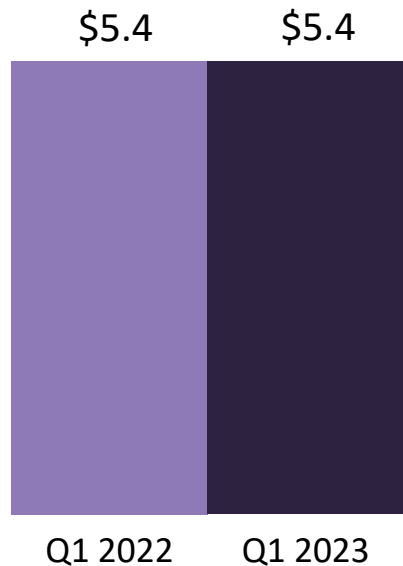
Revenue² (\$m)

Adj. EBITDA² (\$m)

flat

+2%
+6% CC

+6%
+12% CC



- Performance reflects momentum across growth initiatives (user experience, innovation, and sales transformation)
- Growth supported by interest revenue and underlying growth from core verticals incl. digital assets and iGaming

Continued focus on reducing leverage

Liquidity position (\$m)	3/31/23
Committed RCF ⁽¹⁾	\$305
Amounts drawn	(37)
Cash and cash equivalents	222
Total	\$490

Facility (as of 3/31/23) (\$m)		% total
Fixed rate SSN	\$817	
Interest rate swap (notional)	\$352	
Total fixed (excl. digital wallet deposits)	\$1,169	~45%
Natural hedge from interest earning deposits in digital wallet	\$913	
Total fixed (incl. digital wallet deposits)	\$2,082	~80%
Total floating	\$529	~20%
Total Debt⁽¹⁾	\$2,611	100%
Net Debt⁽¹⁾	\$2,389	
Net Debt-to-LTM Adj. EBITDA⁽²⁾	5.8X	

- ~\$50m Q1 net repayments of debt; movement in FX increased debt by ~\$15m
- Avg. interest rate (incl. interest rate swap) at ~5.4% as of Mar-23 (compared to ~3.5% Mar-22)
- Interest expense: Q2e ~\$35-37m
- Est. year-end net leverage 5.1x to 5.3x

Maintaining 2023 guidance

\$millions	2023 FY Guidance (unchanged)	
Revenue	\$1,580 – \$1,600	<ul style="list-style-type: none"> Other: <ul style="list-style-type: none"> Approximate FX sensitivity: 1% EUR weakening versus USD impacts annual revenue by (\$7m) and Adj. EBITDA by (\$2m)
<i>year-over-year growth</i>	<i>6% to 7%</i>	
Adj. EBITDA	\$452 – \$462	
<i>year-over-year growth</i>	<i>10% to 13%</i>	
<i>Adj. EBITDA margin %</i>	<i>28.5% to 29%</i>	

Closing

1



Leading Payments Provider

- ✓ Leading mid-tier SMB acquirer
- ✓ Leading Digital Wallet in Europe
- ✓ Leading eCash network

2



Large, High Growth Verticals with Strong Tailwinds

- ✓ Solid footprint in entertainment verticals driven by innovation
- ✓ Stronghold in iGaming
- ✓ Large TAM opportunity

3



Scarce and Attractive Two-Sided Network

- ✓ Powerful network effects
- ✓ Premier client base with cross-sell opportunities
- ✓ Integrated end-to-end solutions

4



Well Positioned for Growth

- ✓ Re-accelerating top-line growth
- ✓ Scalable model
- ✓ Projecting double-digit EBITDA growth

Appendix

Supplemental: summary of segment results

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

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 and Adjusted net income per share, 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.

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, 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.

Reconciliation of GAAP Net loss to Adj. EBITDA

(\$ in thousands)	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (3,808)	\$ (1,170,812)
Income tax expense / (benefit)	3,879	(43,414)
Interest expense, net	37,456	25,956
Depreciation and amortization	63,547	63,423
Share-based compensation expense	7,216	13,970
Impairment expense on goodwill and intangible assets	82	1,205,731
Restructuring and other costs	1,990	12,591
Other income, net	(2,547)	(3,478)
Adjusted EBITDA	\$ 107,815	\$ 103,967
Adjusted EBITDA Margin	27.8%	28.3%

Reconciliation of GAAP Net loss to Adj. net income

(\$ in thousands)	Three Months Ended March 31,	
	2023	2022
Net loss attributable to the Company	\$ (3,808)	\$ (1,171,183)
Other <u>non operating</u> income, net ⁽¹⁾	(764)	(5,408)
Impairment expense on goodwill and intangible assets	82	1,205,731
Amortization of acquired assets ⁽²⁾	33,673	42,266
Restructuring and other costs	1,990	12,591
Share-based compensation expense	7,216	13,970
Discrete tax items ⁽³⁾	5,479	(6,625)
Income tax benefit on non-GAAP adjustments ⁽⁴⁾	(10,792)	(54,081)
Adjusted net income attributable to the Company	\$ 33,076	\$ 37,261
(in millions)		
Weighted average shares - diluted	61.0	60.3
Adjusted diluted impact	0.4	0.1
Adjusted weighted average shares - diluted	61.4	60.4

(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 months ended March 31, 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.

Reconciliation of Operating Cash Flow to Free Cash Flow

(\$ in thousands)	Three Months Ended March 31,	
	2023	2022
Net cash (outflows) / inflows from operating activities	\$ (118,961)	\$ 503,848
Capital Expenditure	(30,368)	(20,639)
Cash paid for interest	28,893	14,754
Payments relating to Restructuring and other costs	23,684	12,141
Movement in Customer Accounts and other restricted cash	167,027	(450,882)
Free Cash Flow	\$ 70,275	\$ 59,222
Adjusted EBITDA	107,815	103,967
Free Cash Flow Conversion	65%	57%

(\$ in thousands)	Last Twelve Months March 31,	
	2023	2022
Net cash (outflows) / inflows from operating activities	\$ 301,269	\$ 679,576
Capital Expenditure	(103,337)	(89,076)
Cash paid for interest	116,373	69,446
Payments relating to Restructuring and other costs	61,513	30,421
Movement in Customer Accounts and other restricted cash	(67,908)	(453,339)
Free Cash Flow	\$ 307,910	\$ 237,028
Adjusted EBITDA	413,799	434,634
Free Cash Flow Conversion	74%	55%

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

(\$ in thousands)	Three Months Ended March 31,	
	2023	2022
Revenue	\$ 387,849	\$ 367,668
Cost of services (excluding depreciation and amortization)	158,939	147,103
Depreciation and amortization	63,547	63,423
Gross Profit⁽¹⁾	\$ 165,363	\$ 157,142
Depreciation and amortization	63,547	63,423
Gross Profit (excluding depreciation and amortization)	\$ 228,910	\$ 220,565

Adjusted Net Income per Share

	Three Months Ended	
	March 31,	
	2023	2022
Numerator (\$ in thousands)		
Adjusted net income attributable to the Company - basic	\$ 33,076	\$ 37,261
Adjusted net income attributable to the Company - diluted	\$ 33,076	\$ 37,261
Denominator (in millions)		
Weighted average shares – basic	61.0	60.3
Adjusted weighted average shares – diluted ⁽¹⁾	61.4	60.4
Adjusted net income per share attributable to the Company		
Basic	\$ 0.54	\$ 0.62
Diluted	\$ 0.54	\$ 0.62

Supplemental: Adj. EBITDA to Adj. Net Income reconciliation

(\$ in thousands)	Three Months Ended	
	March 31,	
	2023	2022
Adjusted EBITDA	\$ 107,815	\$ 103,967
Depreciation and amortisation ⁽¹⁾	29,874	21,157
Other operating (income) / expense, net ⁽²⁾	(1,783)	1,930
Interest expense, net	37,456	25,956
Adjusted tax	9,192	17,292
Non-controlling interest	-	371
Adjusted Net Income	\$ 33,076	\$ 37,261



Thank you

Paysafe:

