

# Letter to Shareholders





# Quick facts

**29 yrs'**

Payment Experience

**\$152Bn**

Transaction Volume

**\$1.7Bn**

Revenue

**~3,300**

Employees

**>200K**

Merchants

**18M<sup>1</sup>**

Consumers

**>120**

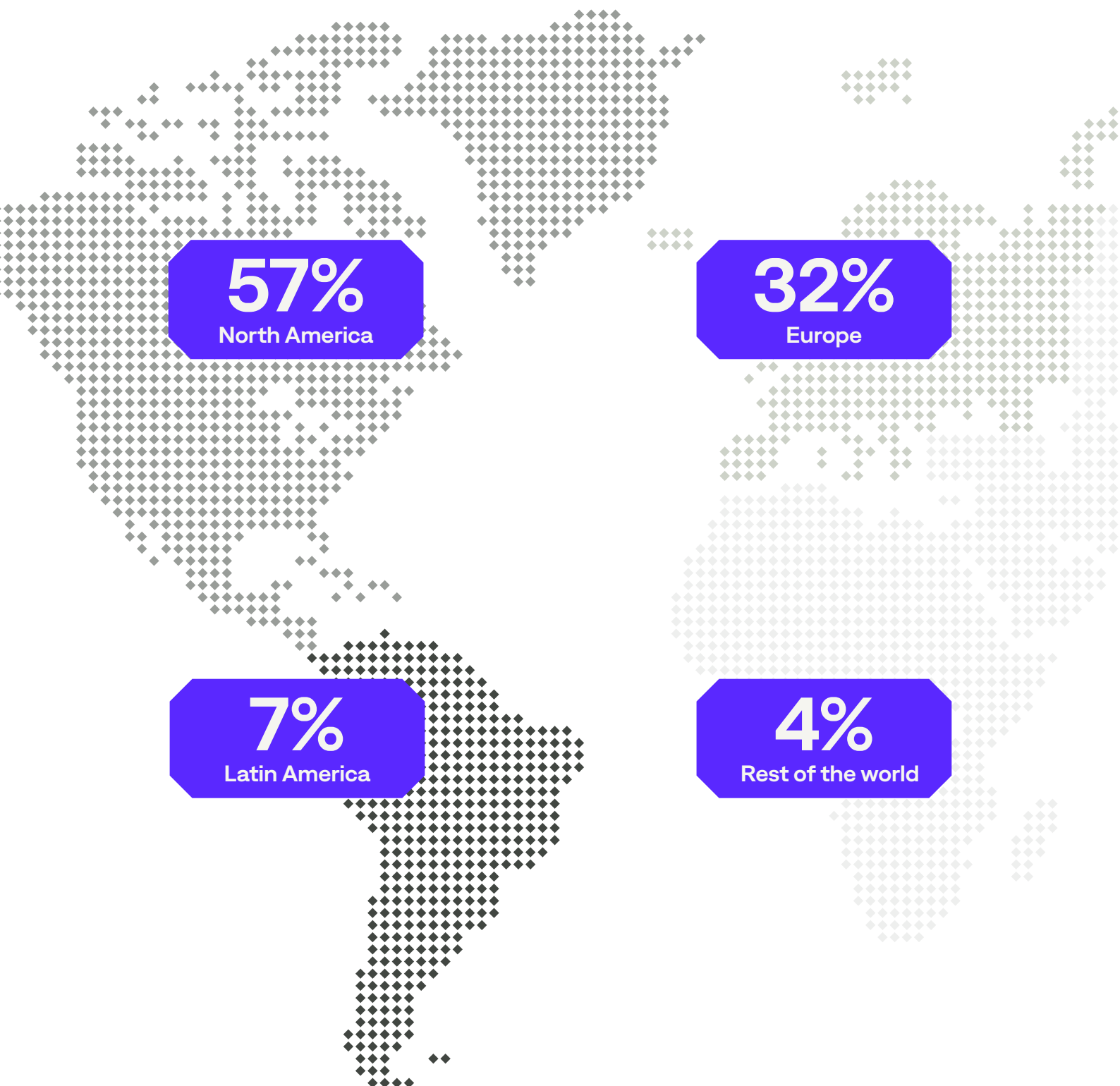
Countries

**48**

Currencies



# Revenue by region<sup>2</sup>



Financials and metrics as of 2024

2.Regional mix based on the region where a transaction was initiated or the merchant location.



# Message from our CEO



**Bruce Lowthers**  
Chief Executive Officer

Dear Fellow Shareholders,

This past year has been a defining moment for Paysafe—we have completed our foundational turnaround and are now focused on building a world-class organization that connects consumers and merchants around the world through seamless payment experiences. In 2024, we accelerated organic revenue growth, made significant investments in the business, strengthened our balance sheet by reducing net leverage, and reported our first year of positive GAAP net income.

I am proud of the tremendous progress we have made over the last three years—stabilizing the business, tackling challenges head-on, removing inefficiencies, and working as a team to navigate the macroeconomic dynamics shaping our industry to return the company to growth. Like any global organization, Paysafe historically faced market and regulatory risks. We have prioritized long-term value creation by refining our approach—exiting clients who do not fit our customer profiles and implementing a scalable risk framework designed to enhance our risk profile and support higher-quality financial performance. While in some cases, this meant tempering short-term revenue, we were laying the groundwork for a stronger and more resilient future.

By transforming the company and focusing on our biggest opportunities in the experience economy, we have positioned Paysafe for sustainable growth. As we mark the fourth year since Paysafe's IPO and I complete my third year as CEO, I want to share some highlights of our accomplishments and review our priorities for the year ahead.

**2024**

**Paysafe Revenue:**

**\$1,705M**  
**+6% YoY**  
**+7% organic<sup>1</sup> YoY**

**Revenue Mix:<sup>2</sup>**

**Merchant Solutions**  
**\$958M**  
**56% of total**

**Digital Wallets**  
**\$766M**  
**45% of total**

**Adj. EBITDA:<sup>1</sup>**

**\$452M**  
**26.5% margin**

**uFCF:<sup>1</sup>**

**\$300M**  
**66% conversion**

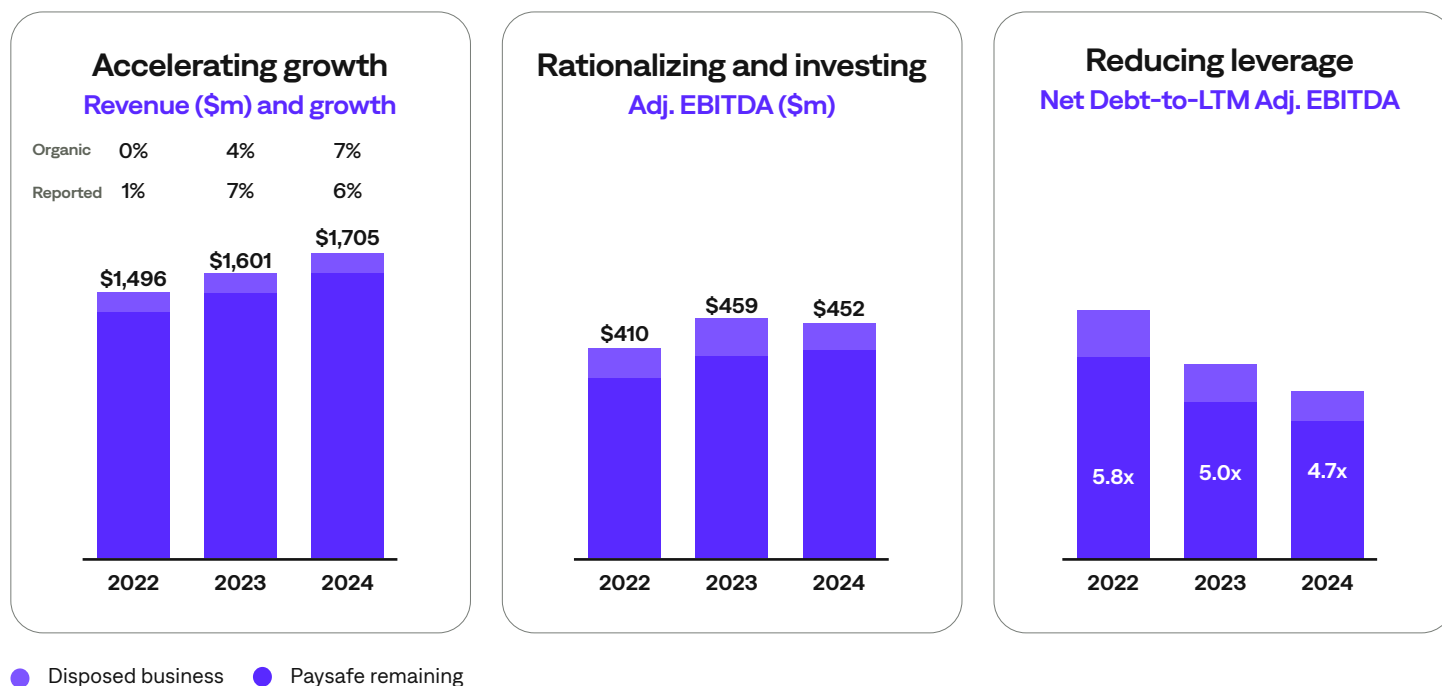
1. Organic growth, adjusted EBITDA, adjusted EBITDA margin, uFCF (unlevered free cash flow) and uFCF conversion are non-GAAP financial measures. For a reconciliation to the closest GAAP financial measures, please see the Q4 2024 earnings presentation on Paysafe's Investor Relations website. Paysafe reported GAAP net income of \$22.2 million for the full year 2024.

2. Segment revenue mix percentages sum to 101% due to intersegment revenue of \$18 million.



## Improved our financial profile

When we look back at the last 3 years, we have seen an acceleration of organic revenue growth<sup>1</sup>, going from flat in 2022 to 4% in 2023 and 7% in 2024. It's worth highlighting that we have delivered this improvement in underlying revenue growth while investing significantly in the business and rationalizing the portfolio. We reduced net leverage to 4.7x at year-end, down from 5.0x at the end of 2023, and generated unlevered free cash flow of \$300 million. Additionally, for the first year since going public, we achieved positive GAAP net income, which was \$22 million for 2024.



Note: Organic revenue growth, adjusted EBITDA, uFCF, and net leverage are non-GAAP financial measures. For a reconciliation to the closest GAAP financial measures, please see the Q4 2024 earnings presentation on Paysafe's Investor Relations website.

1. Organic revenue growth excludes the impact of foreign currency fluctuations, revenue from interest on consumer deposits, acquisitions, and dispositions. The impact of the disposed direct marketing payment processing business is not excluded from the growth rates shown as the transaction closed Q1 2025.

## Completed our sales team expansion and portfolio optimization

We rapidly expanded our sales team, welcoming approximately 170 new team members, and reshaped the organization, leading to more than 40% year-over-year growth in enterprise-level bookings (based on annual contract value). Our investments in the sales team, broader sales capabilities, and portfolio optimization reached \$29 million for the year. In 2025, we expect to benefit from improved operating leverage, driven by increased productivity from new hires, the full-year impact of our 2024 client wins, and the one-time nature of the investments.

These initiatives to strengthen our sales organization, coupled with our portfolio enhancements, reflect a significant shift towards higher-quality revenue streams, allowing us to move with more agility to seize new opportunities as the payments and regulatory landscape continues to evolve.

We are now benefiting from a more balanced growth profile, with double-digit growth from our top 20 merchants in 2024 and a 6% increase in the total number of enterprise-level merchants. Our growth was relatively broad-based across all key regions – North America, Europe, and Latin America – with high single-digit growth from our top 20 countries.





## Delivered on product and customer experience initiatives

Our goal is to be the leading payment network in the experience economy by powering seamless, secure, and reliable transactions that create memorable experiences.

Over the last two years, we have returned to growth across all core products, particularly high-value areas such as e-commerce and wallets. Growth from SMBs also remains healthy, supported by consumer resilience in the US and our initiatives to optimize the business.

Our classic wallet users surpassed 1 million (3-month actives) for the first time in three years, driven by the development of better incentives and promotional programs. Across our broader base of 7 million users, we have seen positive trends driven by new partner integrations and product launches. We expect consumer acquisition to benefit from continued product initiatives, market expansion, and improved marketing execution in 2025.

We also optimized the customer experience by implementing intelligent self-service tools, with more than 40% of our customer service contacts in the wallet business now being resolved through automation. These improvements have resulted in lower friction, better engagement, and reduced customer service cases.

Finally, while still relatively small numbers, revenue from our product initiatives has grown significantly from last year, accounting for 6% of our total revenue in 2024. We are focused on driving this higher in 2025 with a near-term goal to reach a double-digit revenue contribution annually from products introduced over the last three years.





## Reaffirmed our commitment to sustainability and corporate responsibility

At Paysafe, our approach to sustainability and corporate responsibility comprises a comprehensive framework defining our sustainability vision, focus areas, and commitments as we strive to increase our positive impact and mitigate risks. This framework supports Paysafe's corporate strategy by ensuring that plans and actions are responsible, ethical, and beneficial to all stakeholders.

We look forward to sharing our second annual sustainability report this spring, demonstrating continued progress across the key pillars of our sustainability framework – Trusted Technology, Engaged Employees, Thriving Society – underpinned by our Responsible Business Principles.

### Key highlights for the year included:

- ◆ Published Paysafe's first sustainability report
- ◆ Established Paysafe's AI governance framework and an internal AI policy to guide ethical and responsible use of AI
- ◆ Formalized Paysafe's responsible technology principles
- ◆ Awarded EcoVadis sustainability rating of 'Good'
- ◆ Continued progress towards alignment with the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD)
- ◆ Supported more than 50 community initiatives globally in 2024





## Clear priorities for 2025

Looking ahead, we see significant potential in Paysafe, having demonstrated our ability to accelerate growth. With our foundational turnaround complete, we shift our focus in 2025 to the following areas:

### ◆ Product

We will continue to enhance our digital wallet solutions, driving more revenue from new products and advancing our Paysafe wallet platform across our branded solutions, including market expansion within Latin America, as well as unbranded solutions, such as our business wallet for SMBs and white-label wallets.

### ◆ Sales efficiency

As our new sales organization continues to ramp up, we will focus on enhancing our sales cycle productivity and revenue conversion.

### ◆ Partnerships

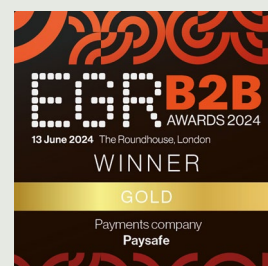
We see opportunities to bolster our partnerships, which will help us reach new merchants and consumers while expanding our product and service delivery across core regions.

### ◆ Scale and operational excellence

We continue to drive greater scale and interoperability of our products, allowing users to fully utilize the Paysafe network and creating better experiences for our customers and employees. We will maintain our focus on refining our core technology around our platforms and gateway capabilities to deliver market-leading authorization rates and e-commerce solutions.

In closing, I am pleased with the progress we have made in delivering on our priorities and our three-year growth plan. I am excited to enter this new chapter alongside the Paysafe team. The past year has been a true reflection of their resilience and ability to embrace change while striving for excellence through best-in-class customer experiences. To our Board of Directors, thank you for your steadfast support. And to our valued customers, shareholders, and partners, thank you for your trust in Paysafe; I look forward to continuing this journey together.

**Bruce Lowthers**  
Chief Executive Officer





# About Paysafe

Paysafe is a leading payments platform with an extensive track record of serving merchants and consumers in the global entertainment sectors. Its core purpose is to enable businesses and consumers to connect and transact seamlessly through industry-leading capabilities in payment processing, digital wallet, and online cash solutions. With 29 years of online payment experience, an annualized transactional volume of \$152 billion in 2024, and approximately 3,300 employees located in 12+ countries, Paysafe connects businesses and consumers across 260 payment types in 48 currencies around the world. Delivered through an integrated platform, Paysafe solutions are geared toward mobile-initiated transactions, real-time analytics and the convergence between brick-and-mortar and online payments. Further information is available at [www.paysafe.com](https://www.paysafe.com).